

TABLES AND CHARTS

MARCH 1983

MONITORING
ECONOMIC CHANGE
PROGRAM



TABLES AND CHARTS

MARCH 1983

The March 1983 survey is the 174th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

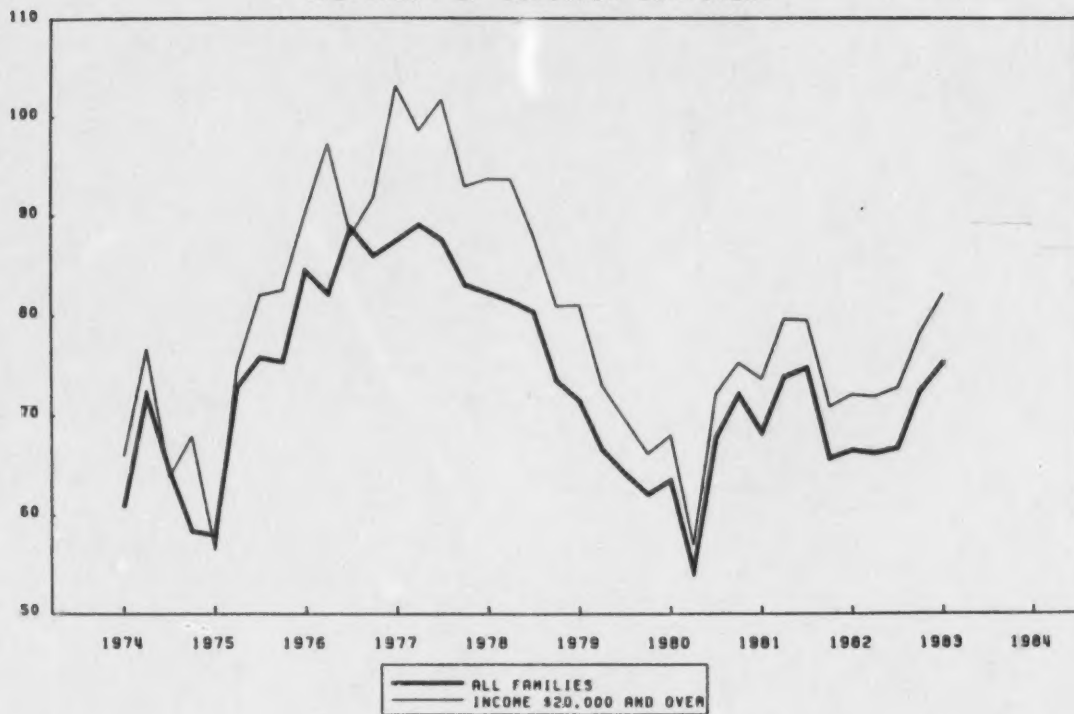


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

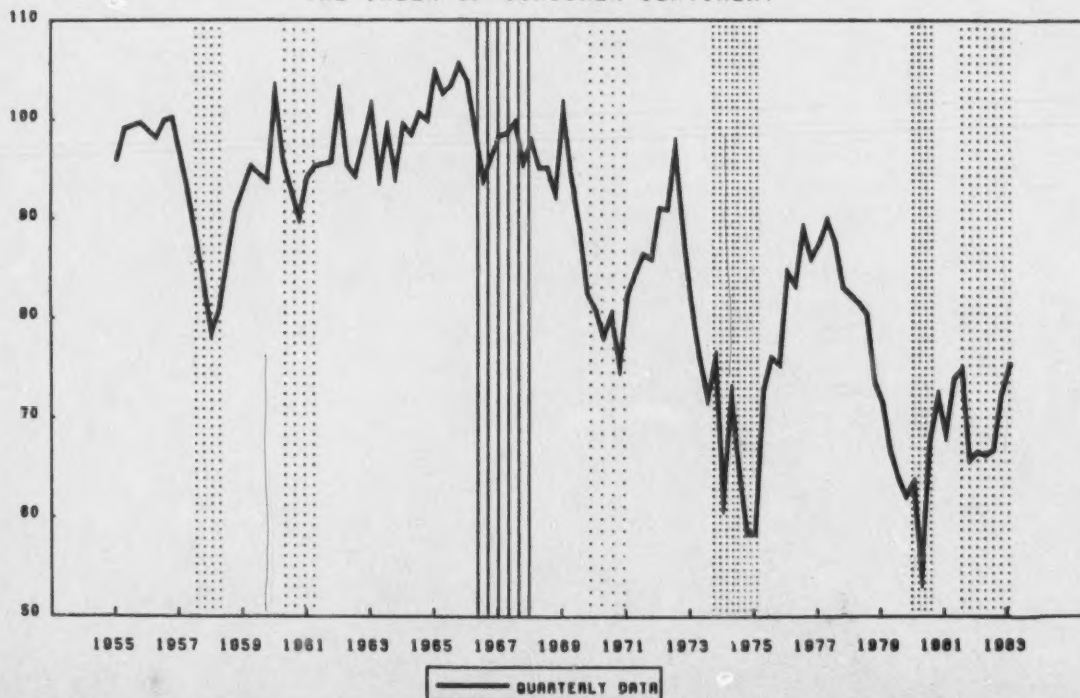


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$20,000	Families with incomes over \$25,000
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1
Apr.-June 1981	73.9	79.7	82.0
July-Sep. 1981	74.8	79.6	80.1
Oct.-Dec. 1981	65.7	70.9	71.8
Jan.-Mar. 1982	66.5	72.1	72.8
Apr.-June 1982	66.2	71.9	73.6
July-Sep. 1982	66.7	72.8	74.6
Oct.-Dec. 1982	72.5	78.3	80.8
Jan.-Mar. 1983	75.3	82.2	83.0

CHART 2A - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

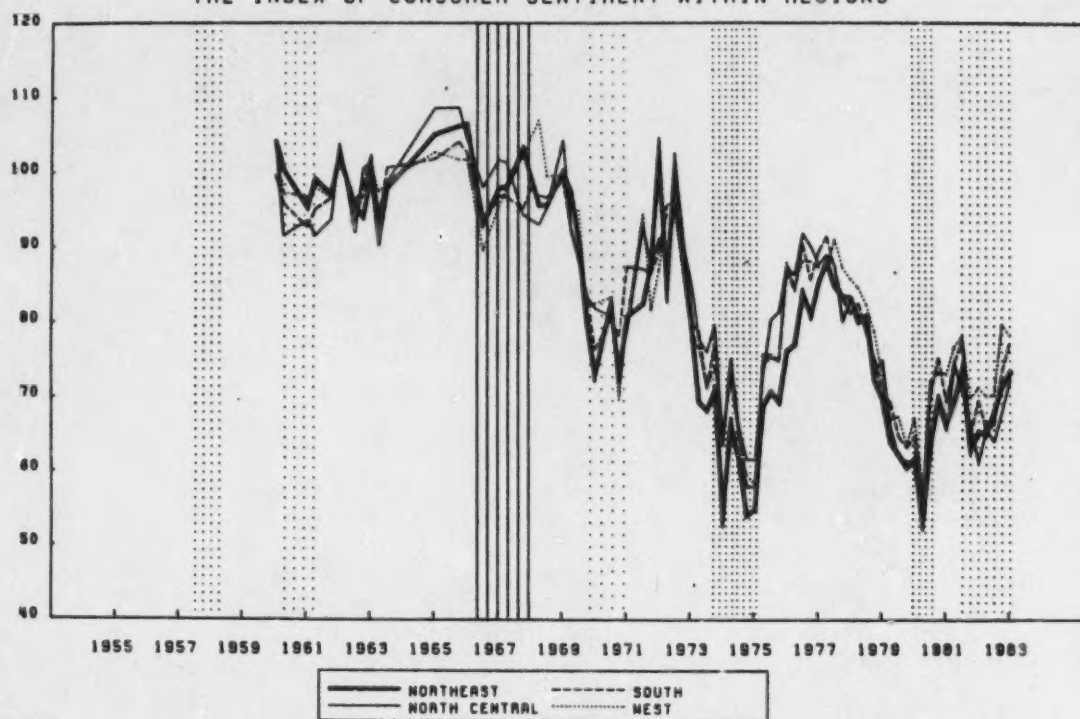


CHART 2B - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

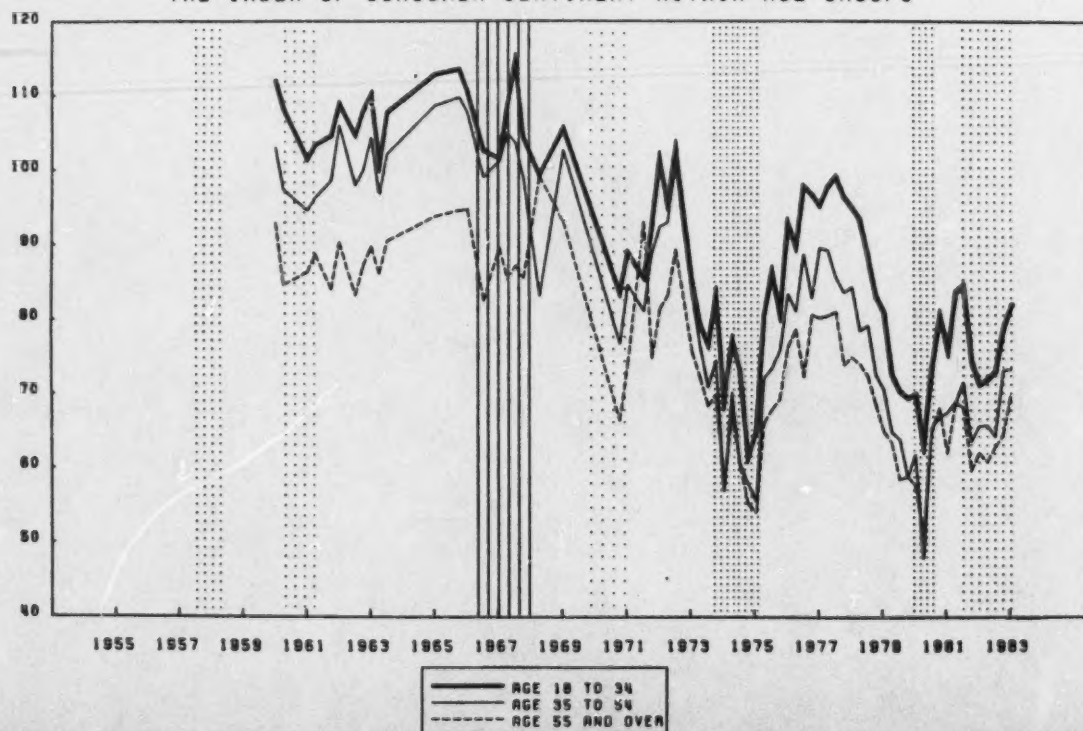


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.3
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0
Apr.-June 1981	69.3	74.4	74.6	76.7	83.6	68.8	68.8
July-Sep. 1981	73.7	70.7	77.4	78.0	84.5	71.5	68.2
Oct.-Dec. 1981	62.9	66.0	64.8	69.8	74.3	63.6	59.7
Jan.-Mar. 1982	65.1	61.2	69.5	71.1	71.2	65.7	62.1
Apr.-June 1982	65.0	65.4	65.5	70.0	71.9	65.8	60.9
July-Sep. 1982	67.8	63.9	66.2	70.2	73.0	64.3	62.9
Oct.-Dec. 1982	71.5	68.0	73.3	79.7	78.9	73.2	64.5
Jan.-Mar. 1983	73.3	72.2	77.4	78.1	81.9	73.3	70.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

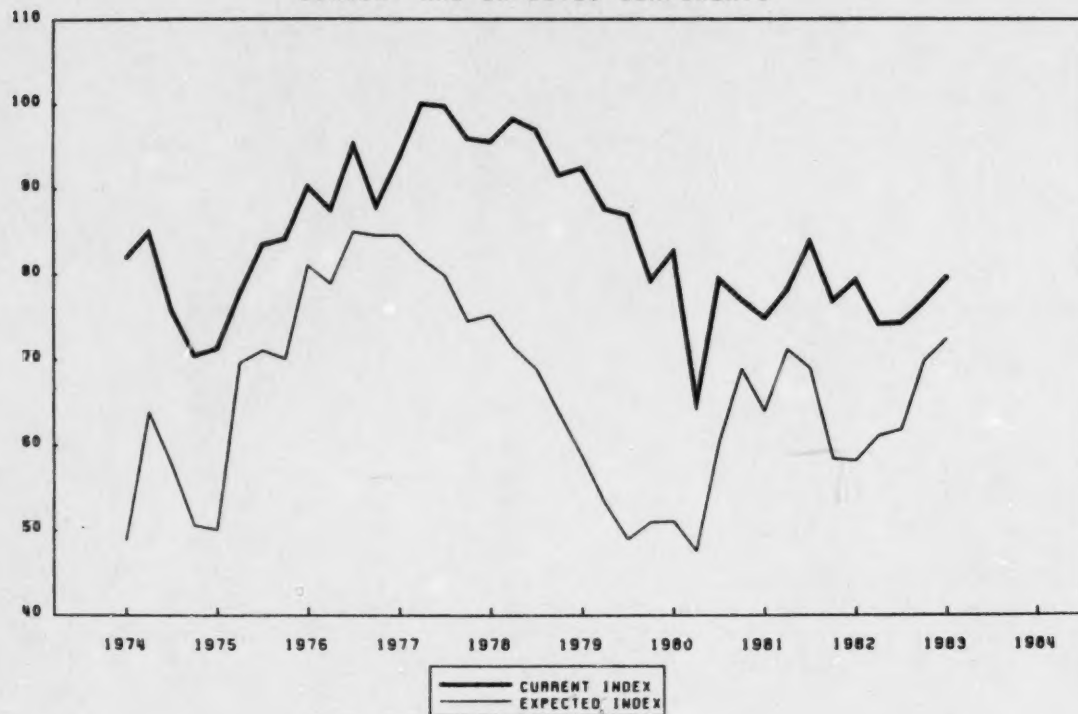


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

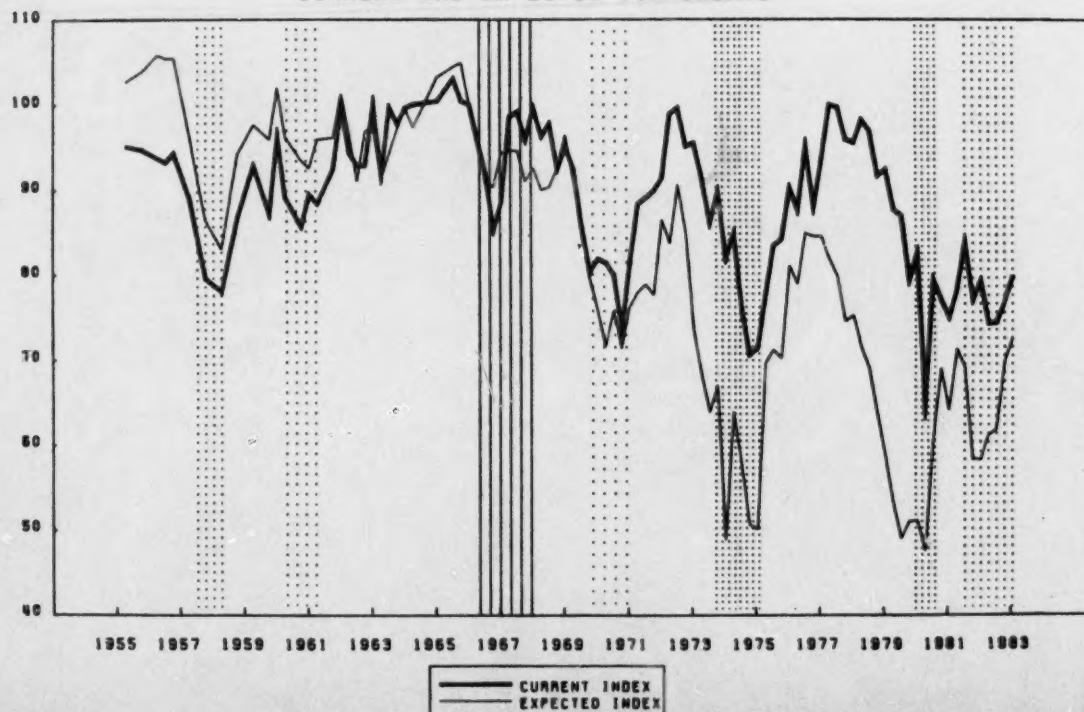


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0
Apr.-June 1981	88	114	89	79	112	78.2	71.2
July-Sep. 1981	98	115	84	74	117	83.8	69.0
Oct.-Dec. 1981	91	110	59	61	106	76.9	58.4
Jan.-Mar. 1982	91	111	55	65	114	79.3	58.2
Apr.-June 1982	91	113	61	69	100	74.2	61.1
July-Sep. 1982	89	113	64	69	102	74.3	61.8
Oct.-Dec. 1982	90	119	77	83	107	76.7	69.8
Jan.-Mar. 1983	91	119	92	78	114	79.6	72.4

- (1) : SEE TABLE 4.
 (2) : See Table 6.
 (3) : See Table 18.
 (4) : See Table 19.
 (5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

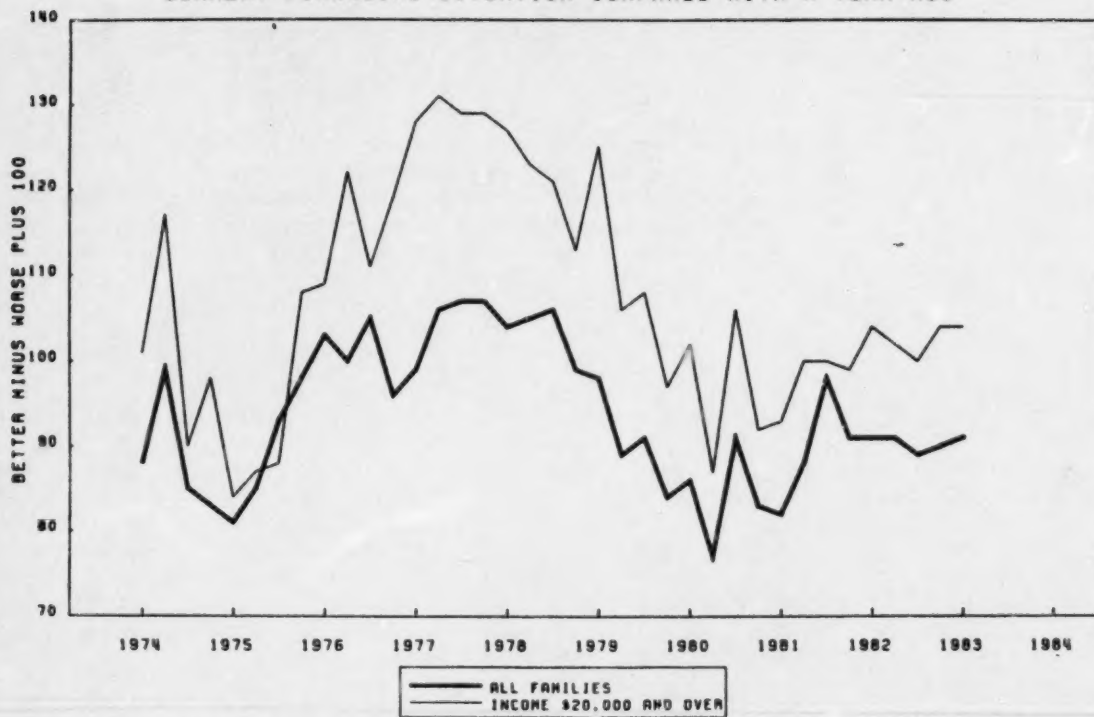


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

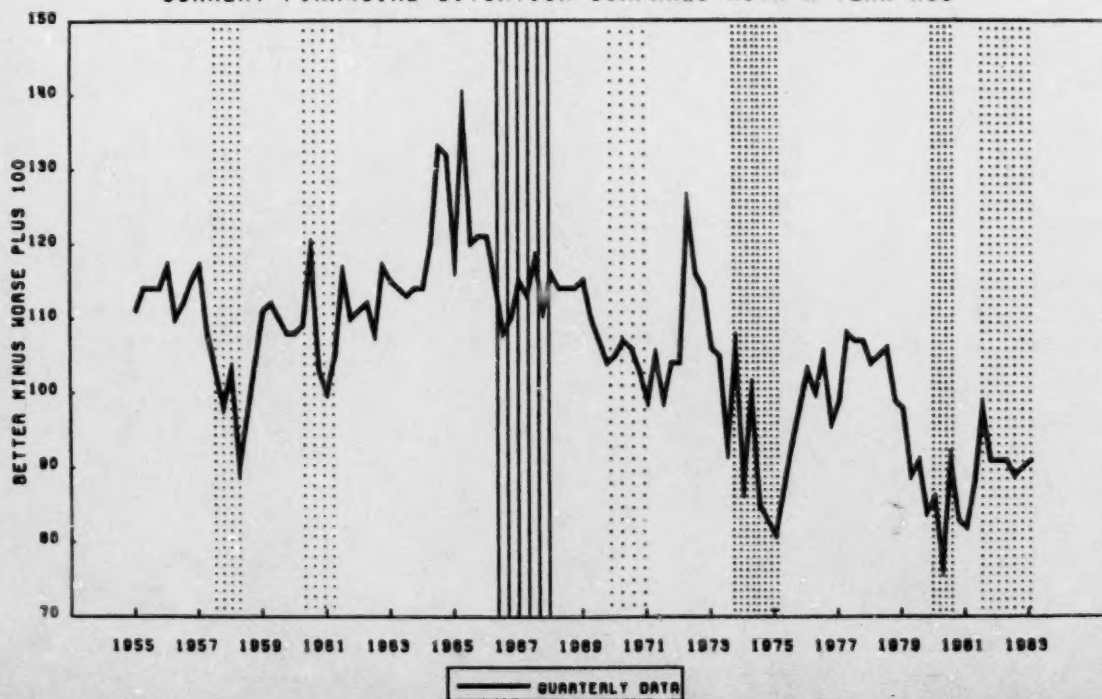


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
BETTER OFF	29%	25%	31%	28%	27%	28%	33%	31%	31%	30%	30%	31%	30%
SAME	27	26	27	27	28	30	31	29	28	32	28	28	31
WORSE OFF	44	48	40	44	45	41	35	39	40	38	41	41	39
DK,NA	*	1	2	1	*	1	1	1	1	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
BETTER OFF	39%	31%	38%	34%	34%	36%	36%	34%	38%	37%	36%	40%	37%
SAME	24	25	29	23	24	28	28	31	27	29	29	25	30
WORSE OFF	37	44	32	42	41	35	36	35	34	34	35	35	33
DK,NA	*	*	1	1	1	1	*	*	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

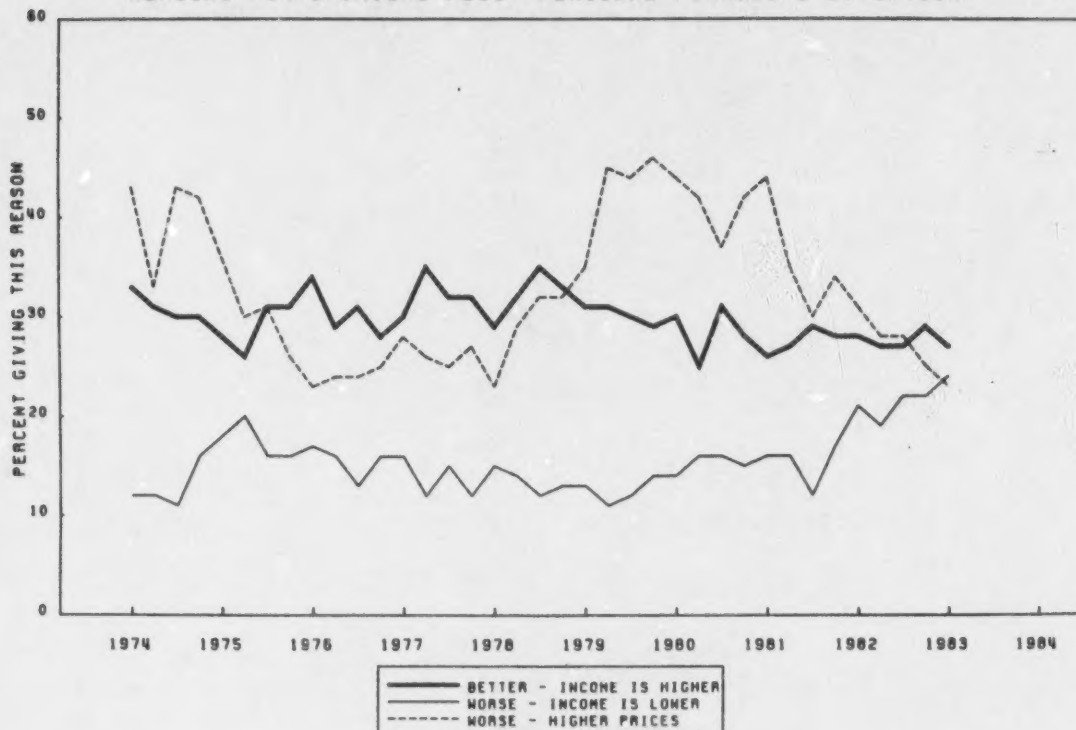


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

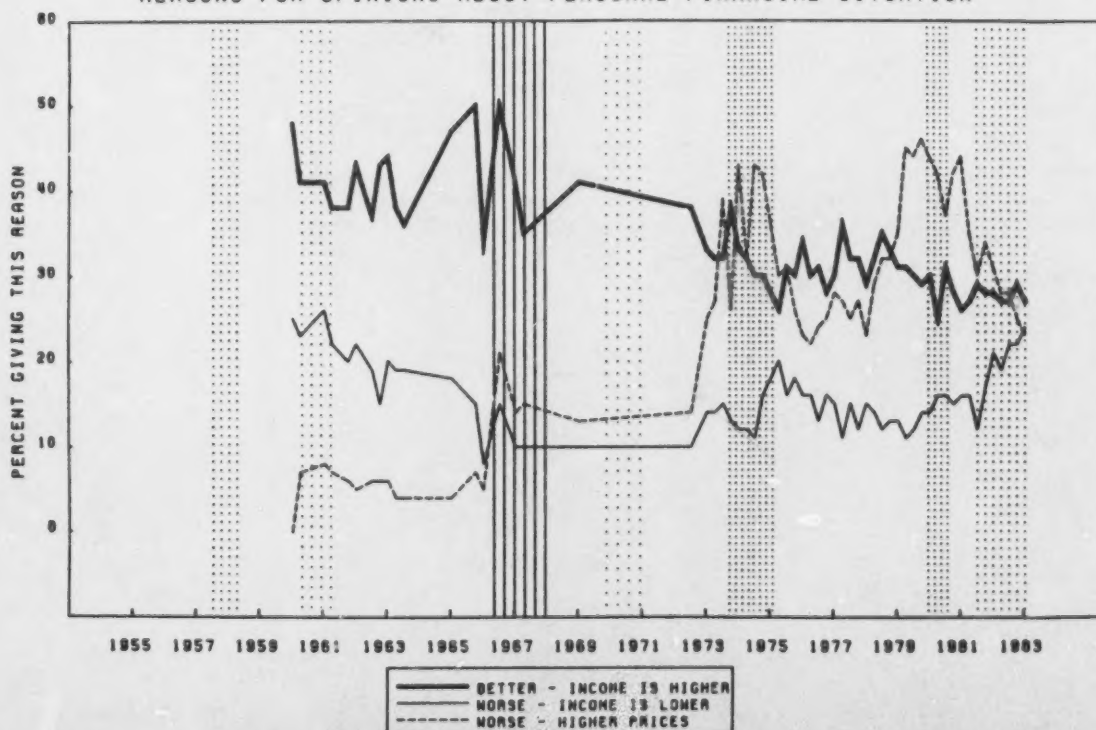


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	30%	25%	31%	28%	26%	27%	29%	28%	28%	27%	27%	29%	27%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	16	16	15	16	16	12	17	21	19	22	22	24
Higher prices	44	42	37	42	44	35	30	34	31	28	28	25	23
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	44%	35%	43%	37%	35%	39%	37%	35%	36%	35%	33%	37%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	11	13	12	12	14	13	12	14	17	19	22	21	22
Higher prices	42	42	33	43	42	35	32	33	29	26	24	23	20

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

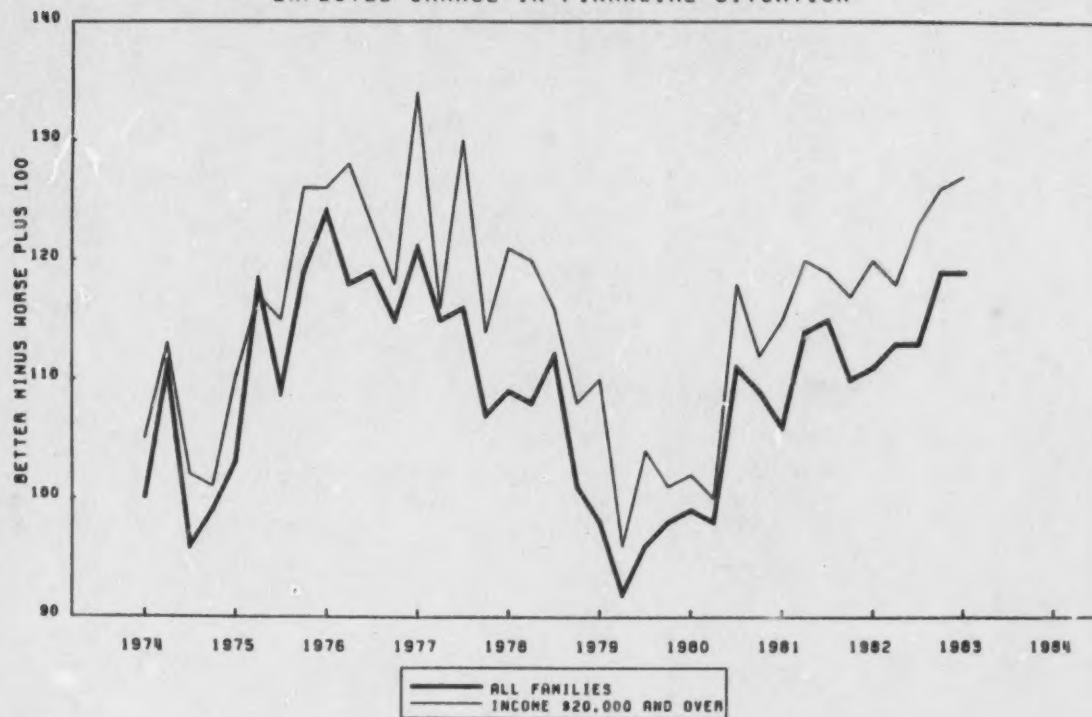


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

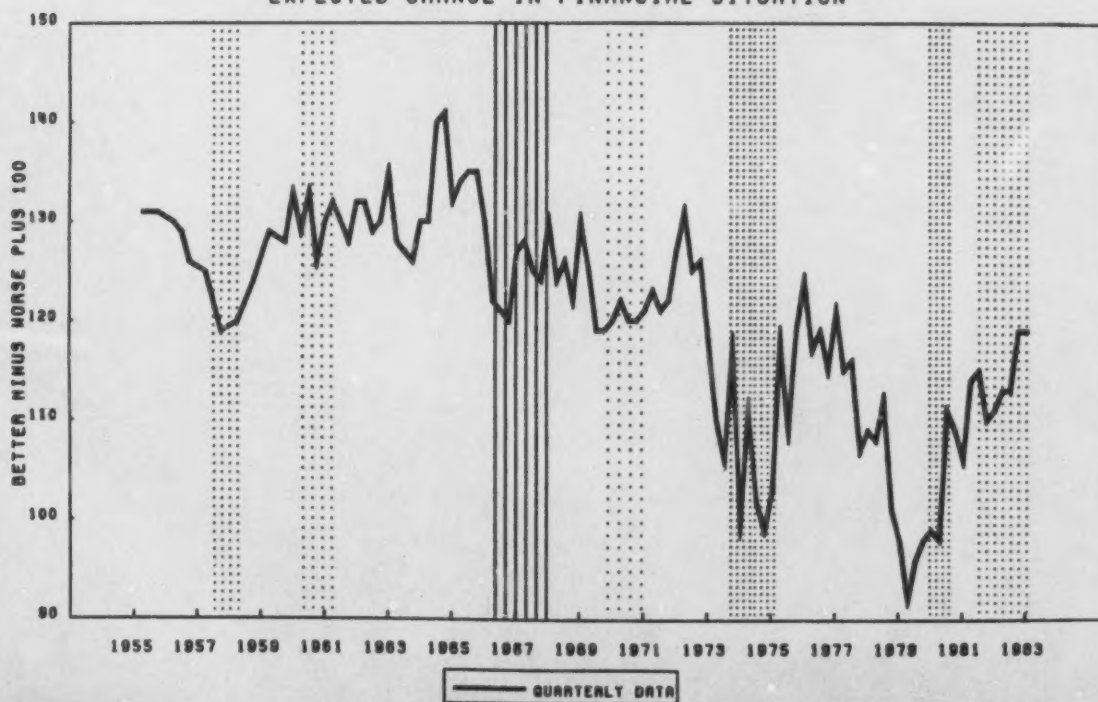


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
BETTER OFF	24%	26%	30%	28%	27%	32%	31%	29%	30%	32%	31%	35%	35%
SAME	46	43	47	46	47	46	48	48	47	46	48	45	46
WORSE OFF	25	28	19	20	21	18	17	20	19	18	18	16	16
DK, NA	5	3	4	6	5	4	4	3	4	4	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
BETTER OFF	25%	26%	35%	32%	32%	37%	35%	31%	36%	34%	37%	39%	40%
SAME	50	46	47	46	48	44	48	51	46	47	47	45	44
WORSE OFF	23	26	16	19	18	17	15	15	16	17	14	14	14
DK, NA	2	2	2	3	2	2	2	3	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

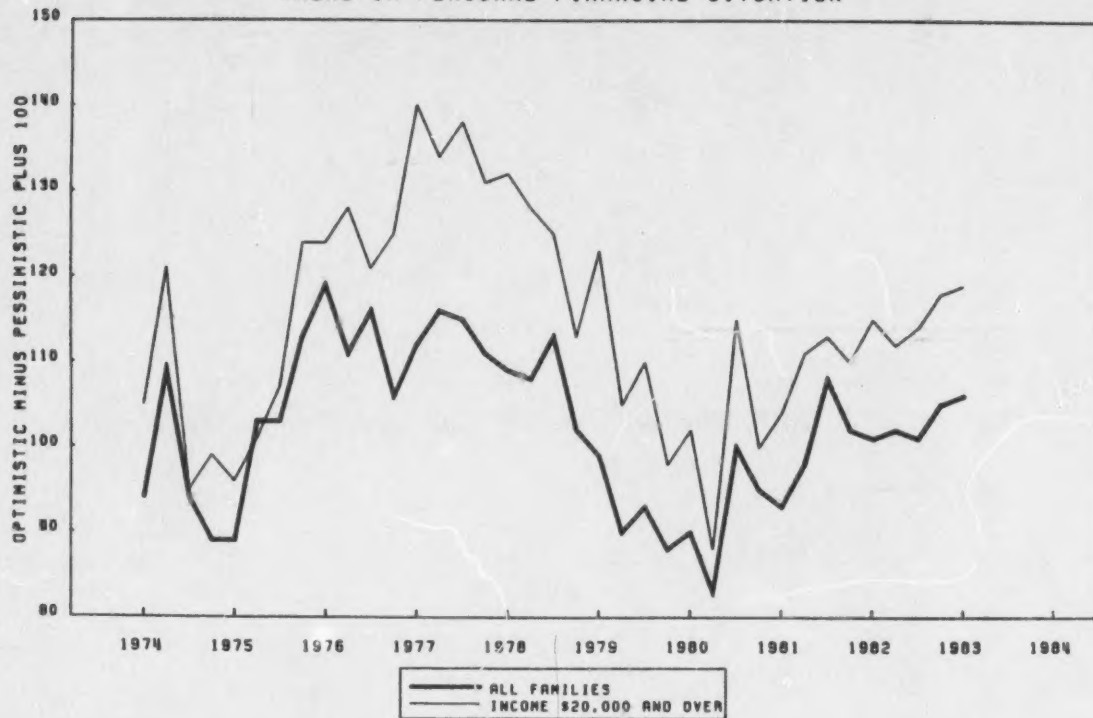


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

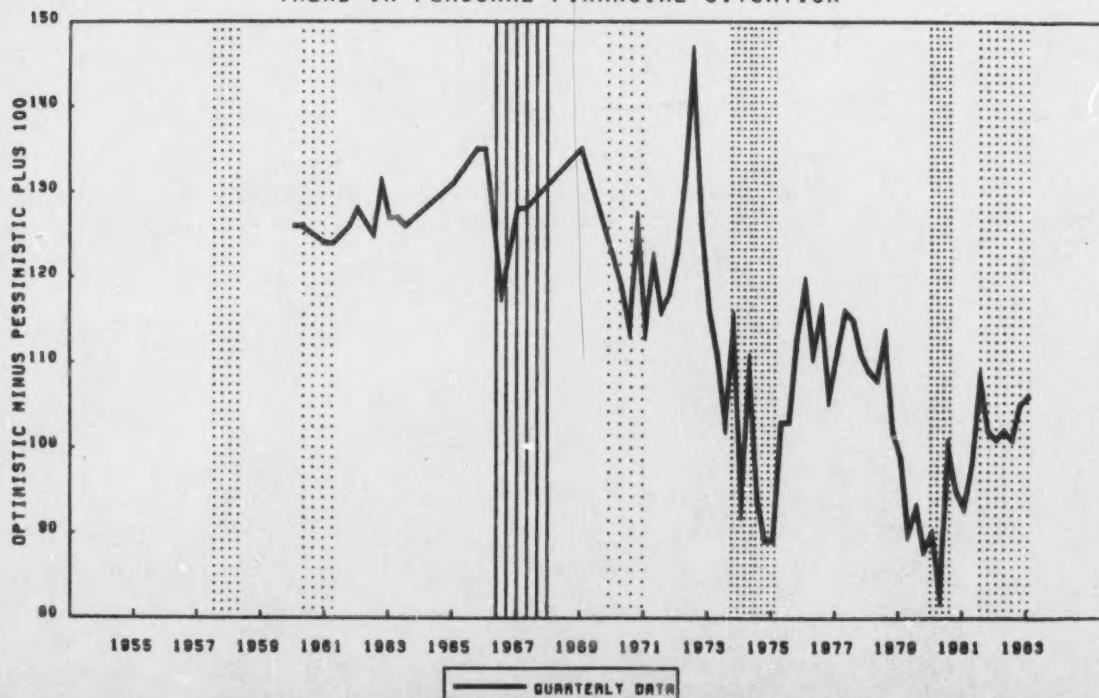


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	12%	10%	13%	11%	10%	13%	15%	13%	14%	13%	15%	16%	15%
Intermittent increase (b)	19	16	20	19	19	20	22	22	20	21	19	20	21
Remain unchanged (c)	14	13	15	14	15	15	18	16	16	17	17	15	16
Intermittent decline (d)	24	26	22	24	23	25	19	20	22	22	22	20	21
Continuous decline (e)	16	17	10	12	12	10	10	13	12	11	12	11	9
Mixed change (f)	11	15	15	14	15	13	11	13	12	12	11	14	14
DK,NA	4	3	5	6	6	4	5	3	4	4	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	15%	12%	16%	15%	13%	18%	16%	15%	18%	16%	19%	20%	19%
Intermittent increase (b)	21	17	25	21	23	24	25	24	24	25	23	24	25
Remain unchanged (c)	14	13	16	10	12	14	15	18	15	16	16	14	15
Intermittent decline (d)	22	27	19	25	23	22	19	20	19	20	19	17	18
Continuous decline (e)	14	14	7	11	10	9	10	9	9	9	9	9	7
Mixed change (f)	12	15	15	14	16	11	13	11	13	12	12	13	14
DK,NA	2	2	2	4	3	2	2	3	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

- Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

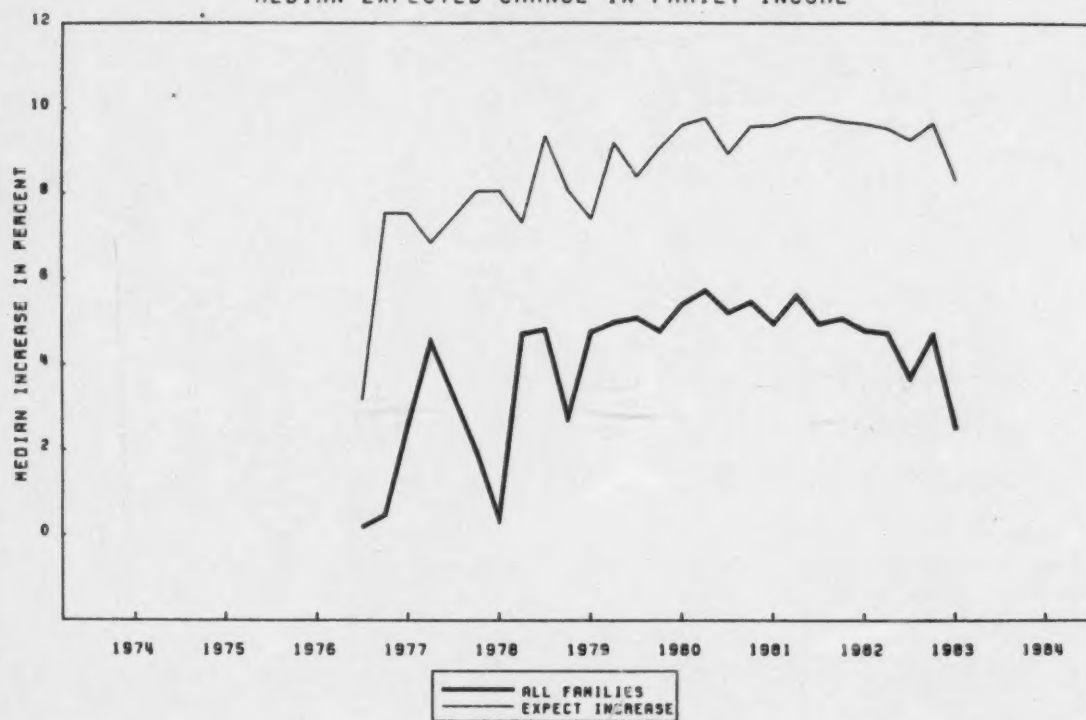


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	6%	5%	6%	7%	7%	6%	6%	6%	6%	6%	8%	6%	8%
5%	8	7	9	8	8	9	8	10	9	10	8	9	9
6-9%	14	13	14	12	10	11	10	10	11	11	10	9	9
10-24%	20	24	20	23	20	25	23	23	21	19	18	20	15
25% or more	9	7	5	7	7	7	7	7	7	7	7	8	7
DK how much up	7	8	10	9	9	8	6	5	5	6	5	6	5
EXPECT SAME	24	23	21	22	23	21	26	23	24	23	27	25	28
EXPECT DOWN	10	11	13	9	12	10	11	14	15	17	15	15	17
DK,NA	2	2	2	3	4	3	3	2	2	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
EXPECT INCREASE:													
1-4%	6%	4%	6%	6%	7%	6%	6%	5%	7%	7%	9%	7%	9%
5%	8	10	9	9	10	10	11	11	10	11	9	11	11
6-9%	20	20	19	18	14	15	15	13	14	12	13	12	12
10-24%	26	29	28	29	30	32	30	29	27	25	24	25	18
25% or more	8	6	5	7	6	6	7	6	6	5	6	7	7
DK how much up	6	4	6	7	5	4	3	6	4	5	3	5	5
EXPECT SAME	17	15	12	13	16	16	16	16	16	18	20	18	21
EXPECT DOWN	8	12	13	10	11	10	11	13	15	16	14	14	16
DK,NA	1	*	2	1	1	1	1	1	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE LAST YEAR

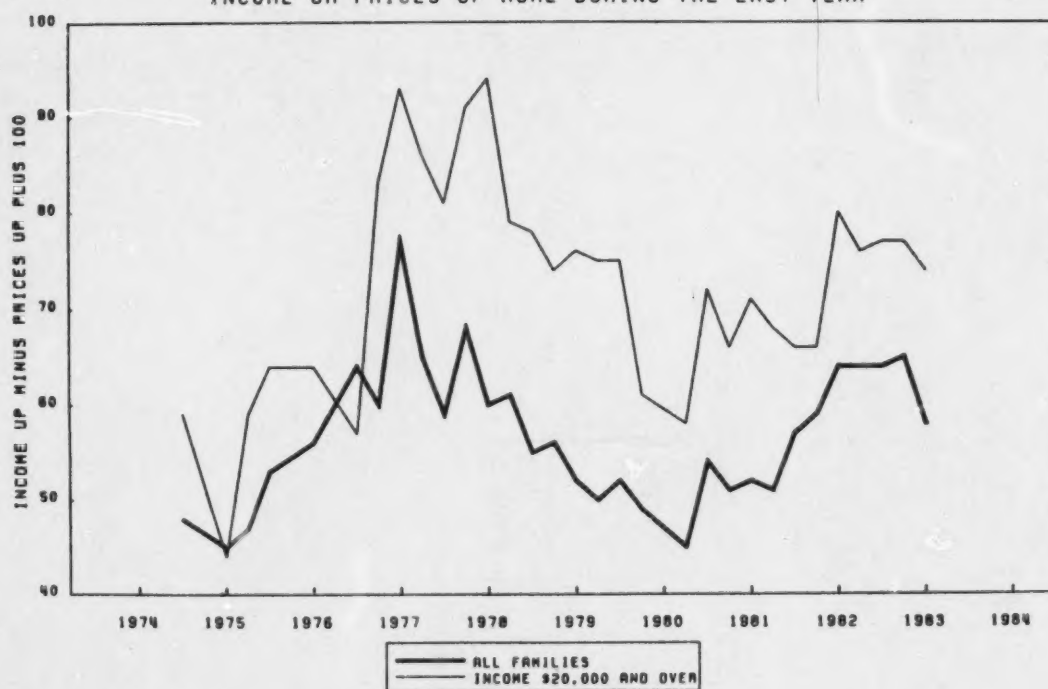


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
INCOME UP MORE	13%	10%	12%	12%	12%	11%	13%	15%	16%	16%	16%	16%	15%
INCOME UP SAME	27	23	28	26	26	27	28	29	30	31	30	32	27
PRICES UP MORE	59	65	59	60	60	61	57	55	52	52	52	51	56
DK,NA	1	2	1	2	2	1	2	1	2	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
INCOME UP MORE	17%	16%	20%	16%	20%	17%	17%	16%	24%	22%	22%	21%	21%
INCOME UP SAME	34	27	31	32	30	33	31	33	32	33	32	34	31
PRICES UP MORE	48	57	48	51	50	49	51	50	44	45	45	44	47
DK,NA	1	*	1	1	*	1	1	1	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP MORE DURING THE NEXT YEAR

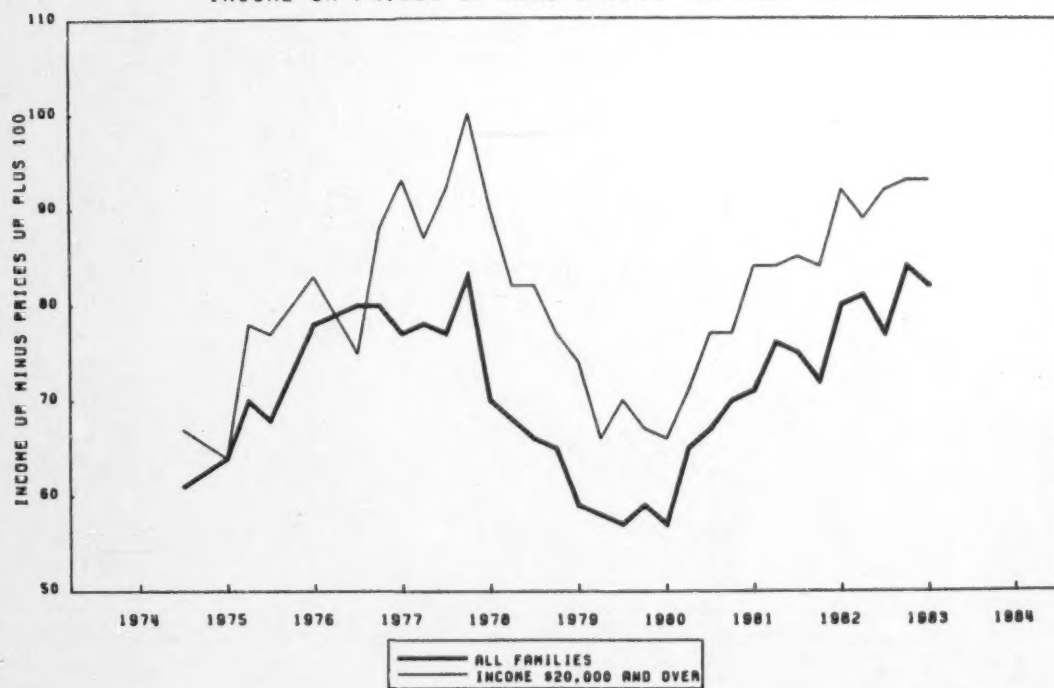


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
INCOME UP MORE	10%	13%	12%	14%	13%	16%	15%	15%	18%	18%	18%	19%	19%
INCOME UP SAME	34	37	39	40	40	41	41	40	42	42	39	43	42
PRICES UP MORE	53	47	45	43	42	40	40	42	37	37	40	35	36
DK,NA	3	3	4	3	5	3	4	3	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
INCOME UP MORE	15%	15%	18%	16%	19%	19%	20%	19%	24%	21%	23%	24%	24%
INCOME UP SAME	36	41	39	43	43	45	43	43	44	45	43	43	42
PRICES UP MORE	48	43	41	39	36	35	35	36	31	33	32	31	31
DK,NA	1	1	2	2	2	1	2	2	1	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

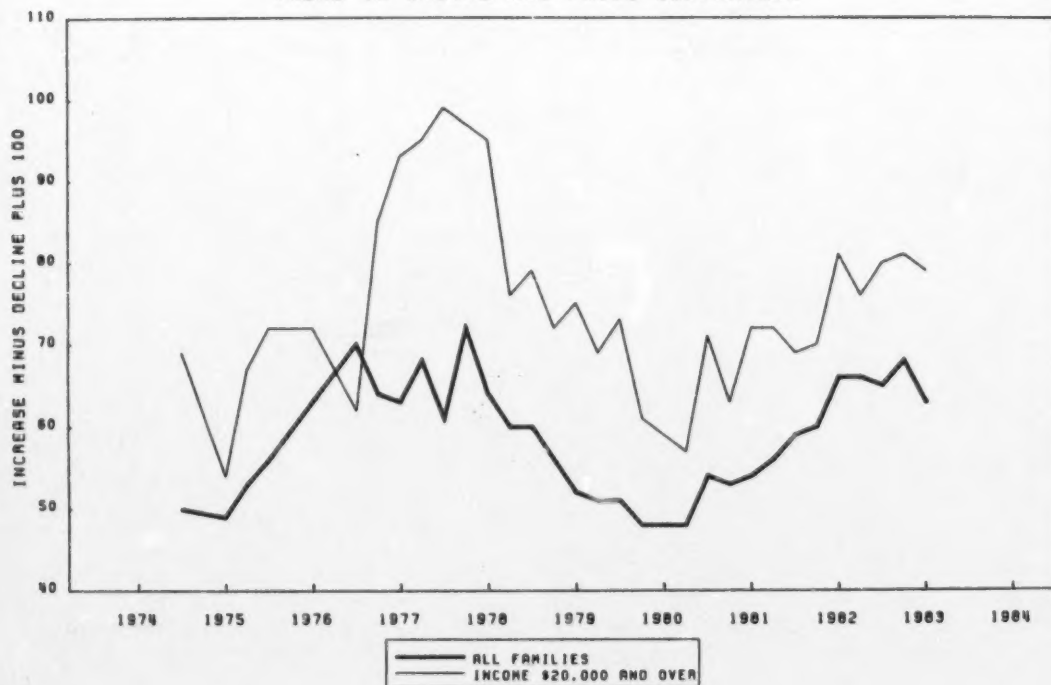


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	7%	4%	4%	6%	6%	5%	7%	6%	8%	9%	8%	9%	9%
Intermittent increase (b)	8	9	10	8	9	9	9	10	10	10	10	11	8
Remain unchanged (c)	16	13	16	16	16	17	18	18	20	19	19	19	17
Intermittent decline (d)	19	24	22	25	24	25	23	23	23	24	22	24	26
Continuous decline (e)	42	40	37	35	35	34	33	33	29	28	32	26	28
Mixed change (f)	6	6	6	6	5	7	6	7	7	7	5	7	8
DK,NA	2	4	5	4	5	3	4	3	3	3	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	10%	7%	9%	9%	11%	9%	11%	8%	13%	12%	12%	12%	13%
Intermittent increase (b)	9	10	15	8	12	14	10	13	13	11	13	14	12
Remain unchanged (c)	22	16	17	20	19	21	20	20	20	21	20	20	18
Intermittent decline (d)	18	25	20	25	22	22	23	22	23	24	21	22	23
Continuous decline (e)	34	34	31	29	28	28	28	29	22	23	24	22	23
Mixed change (f)	6	7	6	6	6	5	7	6	8	8	8	8	8
DK,NA	1	1	2	3	2	1	1	2	1	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

- Key: (a) Income up more last year/Income up more next year
 (b) Income up more/Same or Income up same/More
 (c) Income up same/Same
 (d) Prices up more/Same or Prices up same/More
 (e) Prices up more/More
 (f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

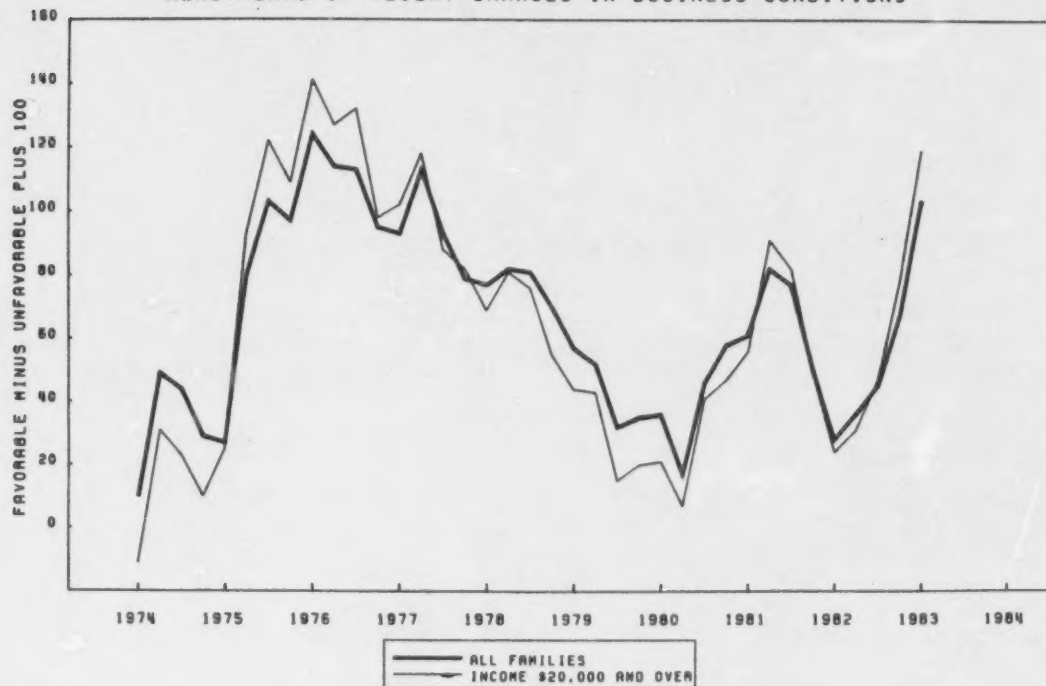


CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

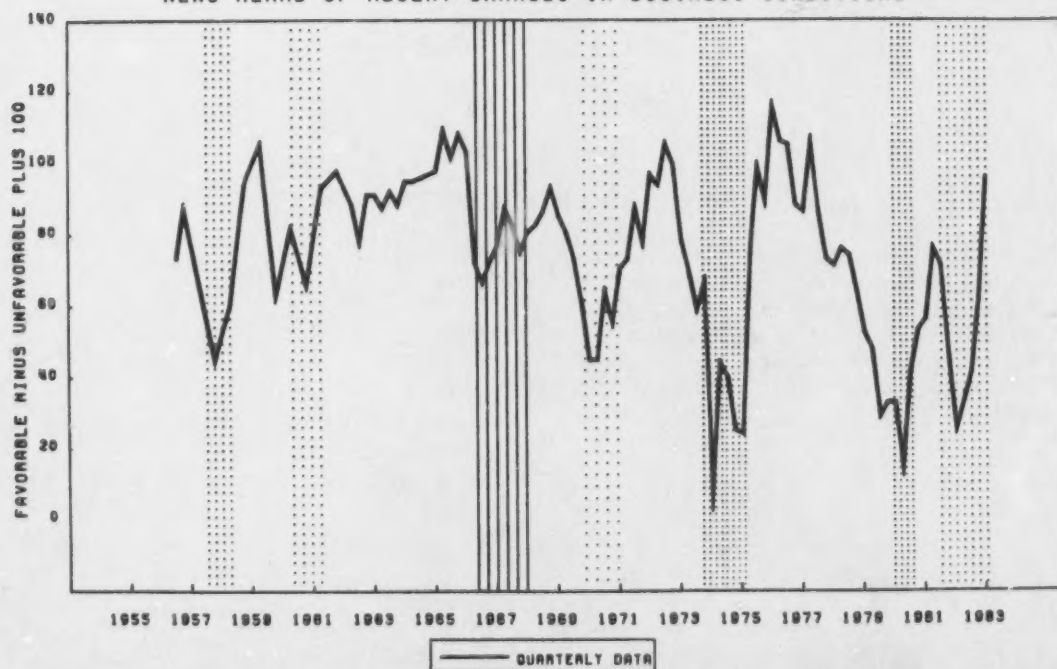


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
FAVORABLE NEWS	14%	12%	24%	24%	24%	28%	26%	20%	20%	23%	29%	39%	58%
UNFAVORABLE NEWS	78	94	79	66	63	46	49	70	92	88	85	73	55
NO MENTIONS	40	31	34	41	42	49	49	42	29	30	28	28	29
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
FAVORABLE NEWS	15%	15%	31%	29%	34%	43%	35%	22%	26%	29%	38%	49%	73%
UNFAVORABLE NEWS	94	108	89	82	78	52	54	72	102	98	91	71	54
NO MENTIONS	31	23	26	30	30	36	41	38	22	22	21	24	23

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

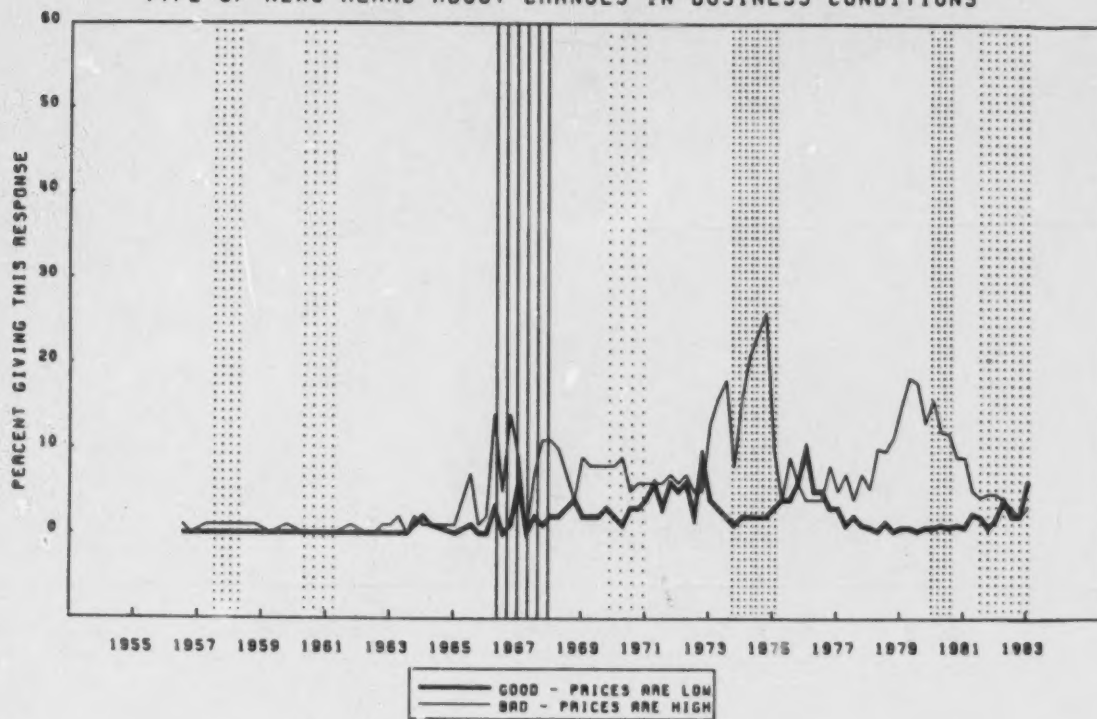


CHART 13B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

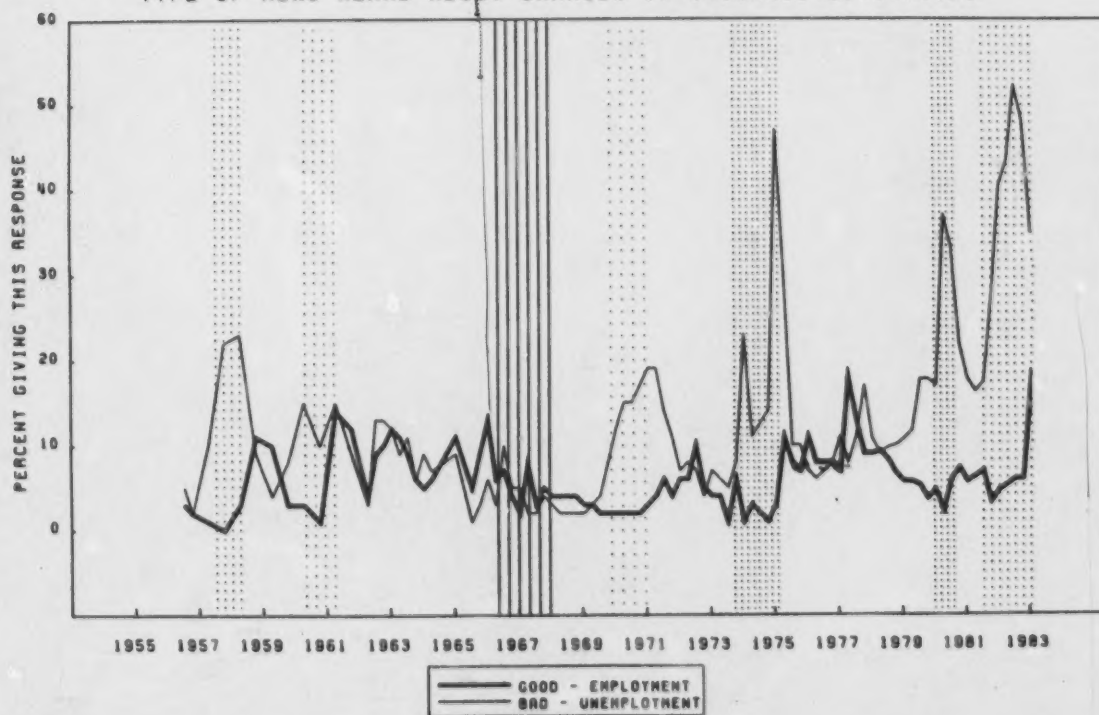


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	4%	7%	5%	6%	4%	4%	2%	2%	2%	2%
Employment	5	2	6	7	6	6	7	3	5	5	6	6	17
Higher consumer demand	1	1	2	2	1	3	2	1	*	2	2	2	6
Lower prices	1	1	1	1	1	2	2	1	2	4	2	2	6
Easier credit	1	4	7	1	3	3	2	6	5	3	10	17	14
UNFAVORABLE NEWS:													
Government; elections	3	3	3	3	5	5	5	4	6	4	4	3	3
Unemployment	17	37	33	22	18	16	17	27	40	43	52	48	35
Lower consumer demand	9	9	11	9	11	5	4	9	12	9	6	7	4
Higher prices	16	12	12	9	9	5	4	5	5	4	3	2	3
Tighter credit	13	16	6	13	8	7	8	10	8	8	6	2	1
Energy crisis	3	1	1	1	1	*	1	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	1%	2%	1%	5%	12%	9%	9%	4%	5%	3%	2%	2%	3%
Employment	5	3	6	9	8	9	9	4	5	6	7	7	19
Higher consumer demand	1	*	2	2	2	3	3	1	1	3	3	3	7
Lower prices	1	1	1	1	1	3	3	1	2	5	3	3	8
Easier credit	1	7	11	2	3	6	3	6	7	4	14	21	19
UNFAVORABLE NEWS:													
Government; elections	3	3	4	3	6	4	4	3	5	4	3	3	3
Unemployment	21	39	38	26	19	16	18	26	44	47	57	47	36
Lower consumer demand	12	12	13	11	13	7	6	9	16	13	7	7	3
Higher prices	18	12	9	9	10	6	4	5	4	4	2	2	2
Tighter credit	18	23	8	19	15	10	10	12	11	11	8	1	1
Energy crisis	3	1	1	1	1	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

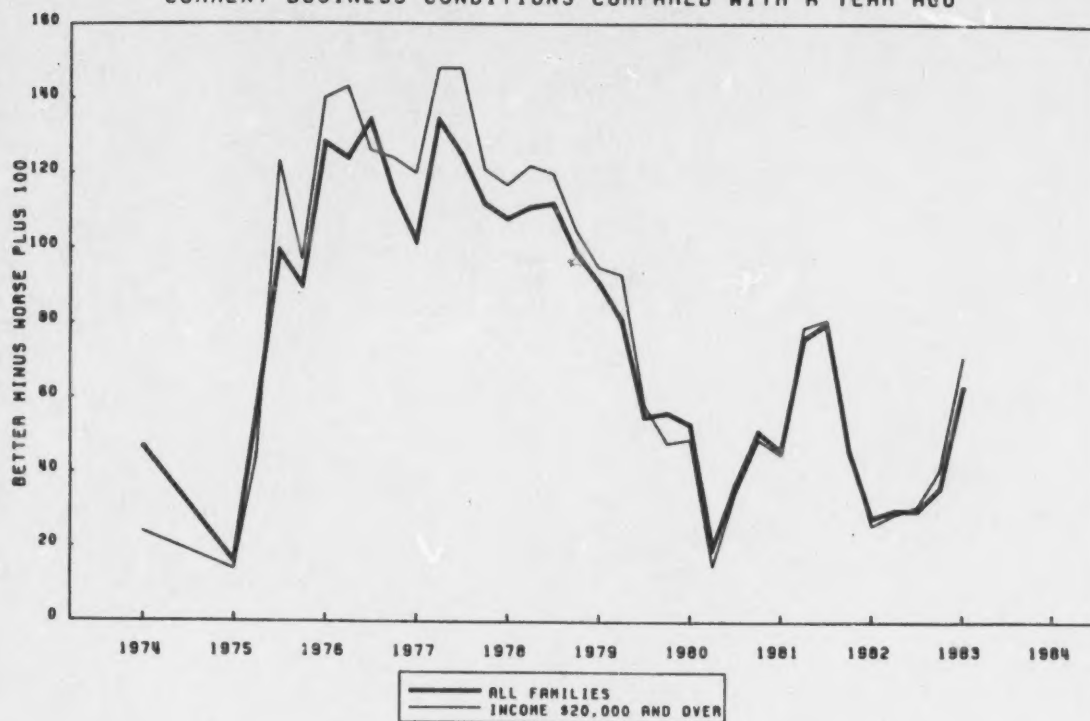


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

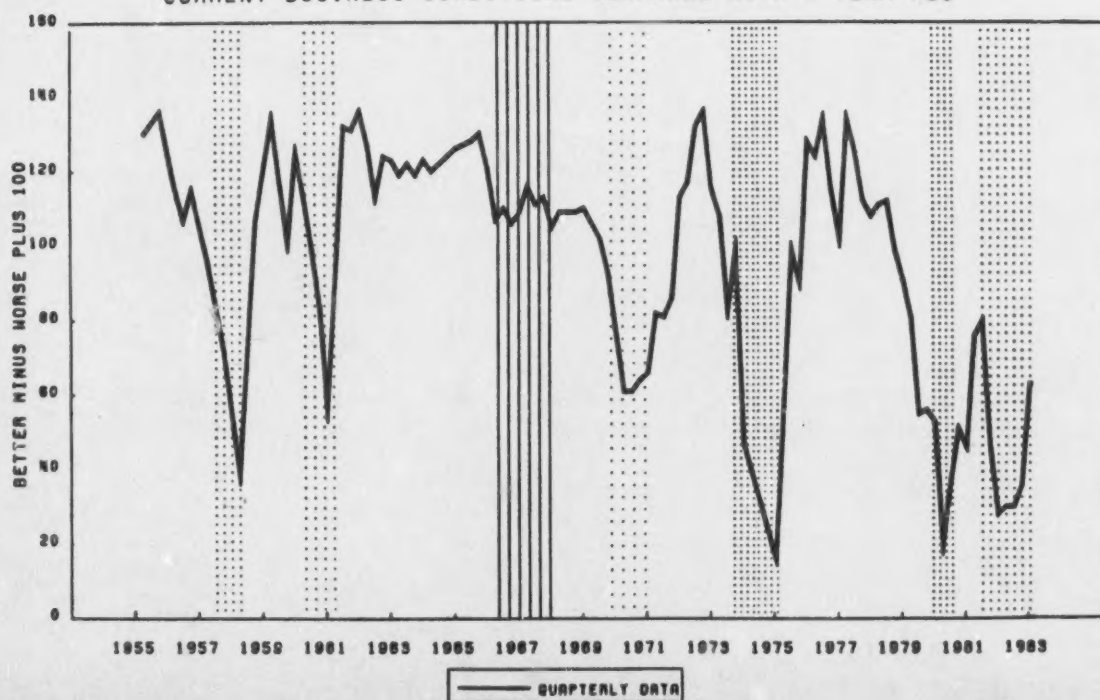


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
BETTER NOW	19%	7%	15%	19%	15%	28%	31%	17%	10%	11%	11%	14%	27%
SAME	12	6	7	11	14	17	15	10	7	7	7	8	9
WORSE NOW	66	86	77	67	69	53	51	71	82	81	81	77	64
DK,NA	3	1	1	3	2	2	3	2	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
BETTER NOW	18%	4%	14%	18%	16%	31%	34%	18%	10%	11%	12%	16%	31%
SAME	12	5	5	11	12	16	12	10	5	6	6	8	8
WORSE NOW	69	90	80	70	71	52	52	71	84	82	81	75	60
DK,NA	1	1	1	1	1	1	2	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

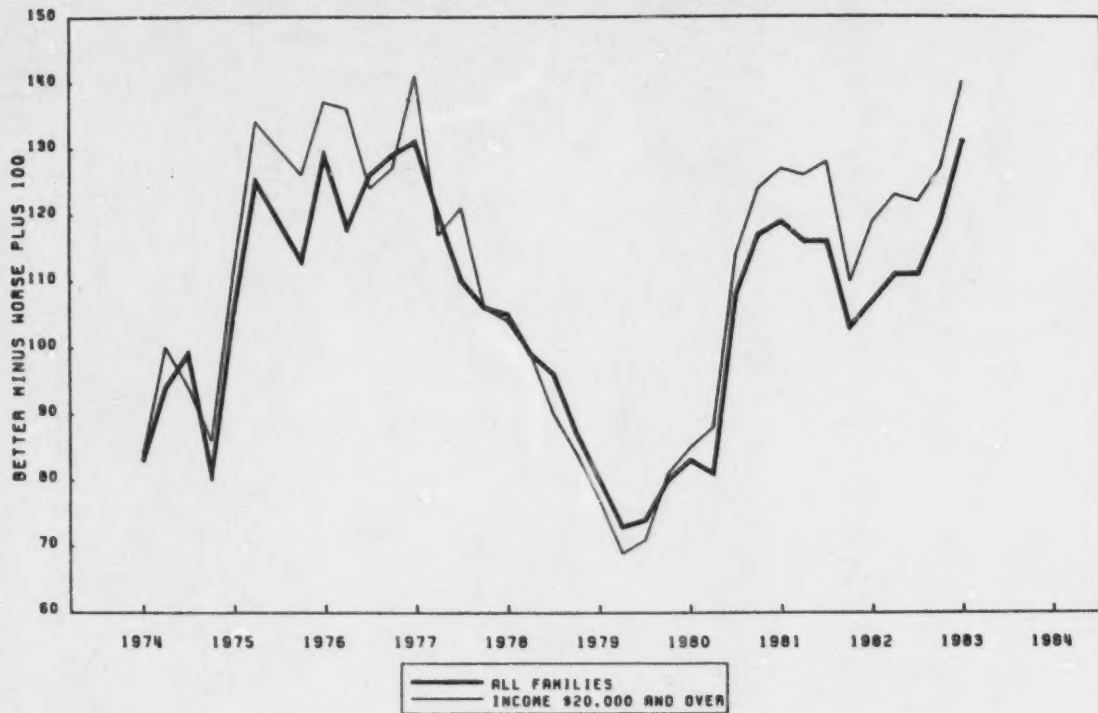


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

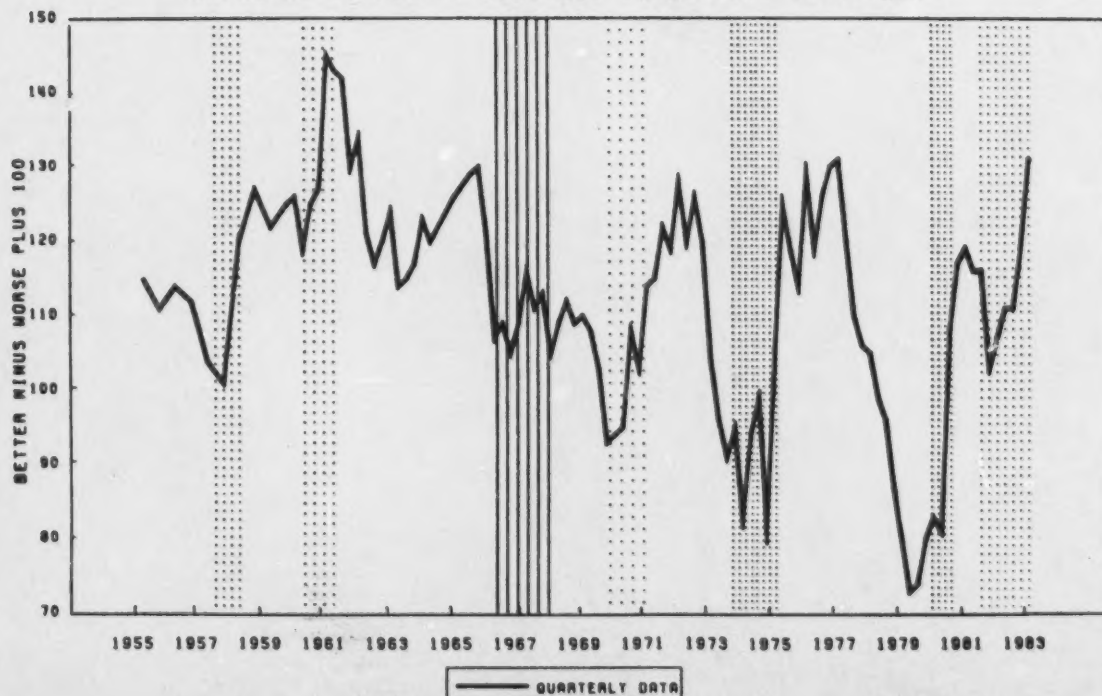


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
BETTER	17%	20%	29%	34%	37%	36%	34%	29%	34%	36%	34%	39%	45%
SAME	45	37	45	44	42	42	44	41	38	37	42	39	41
WORSE	35	39	22	17	18	20	19	27	26	25	22	20	13
DK,NA	3	4	4	5	3	2	3	3	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
BETTER	19%	24%	34%	40%	42%	41%	41%	33%	41%	43%	40%	44%	49%
SAME	45	38	44	41	40	42	44	40	35	34	41	37	41
WORSE	35	36	20	16	15	16	13	23	22	21	18	18	9
DK,NA	1	2	2	3	3	1	2	4	2	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

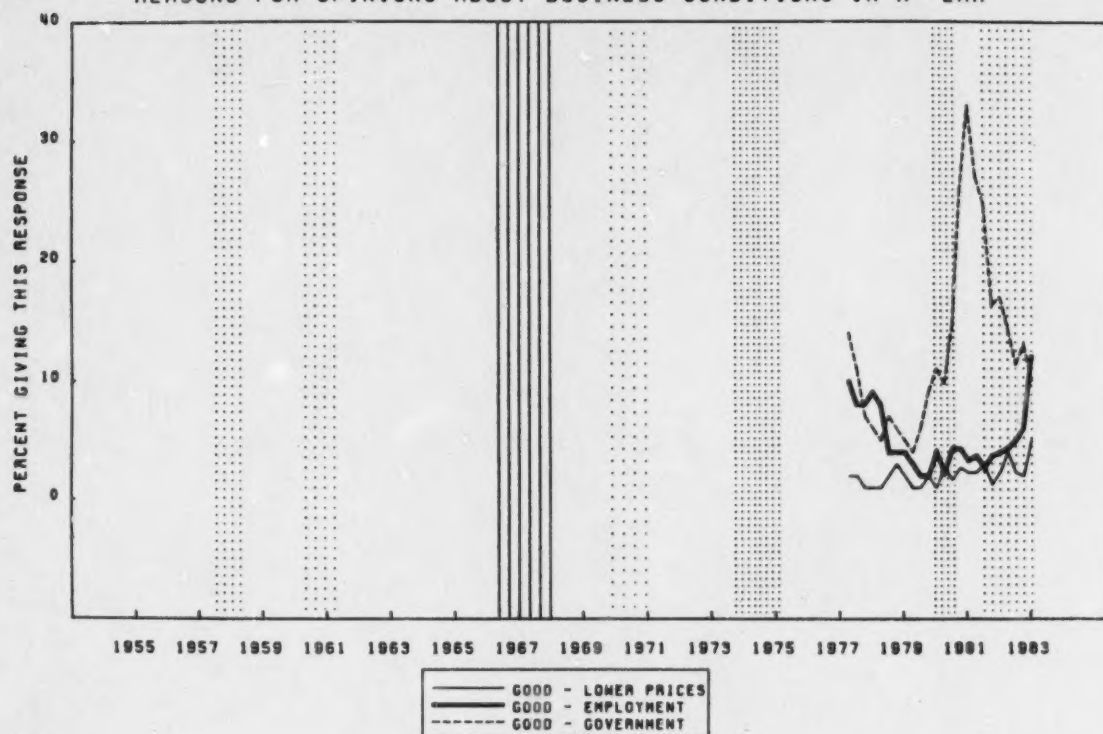


CHART 16B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

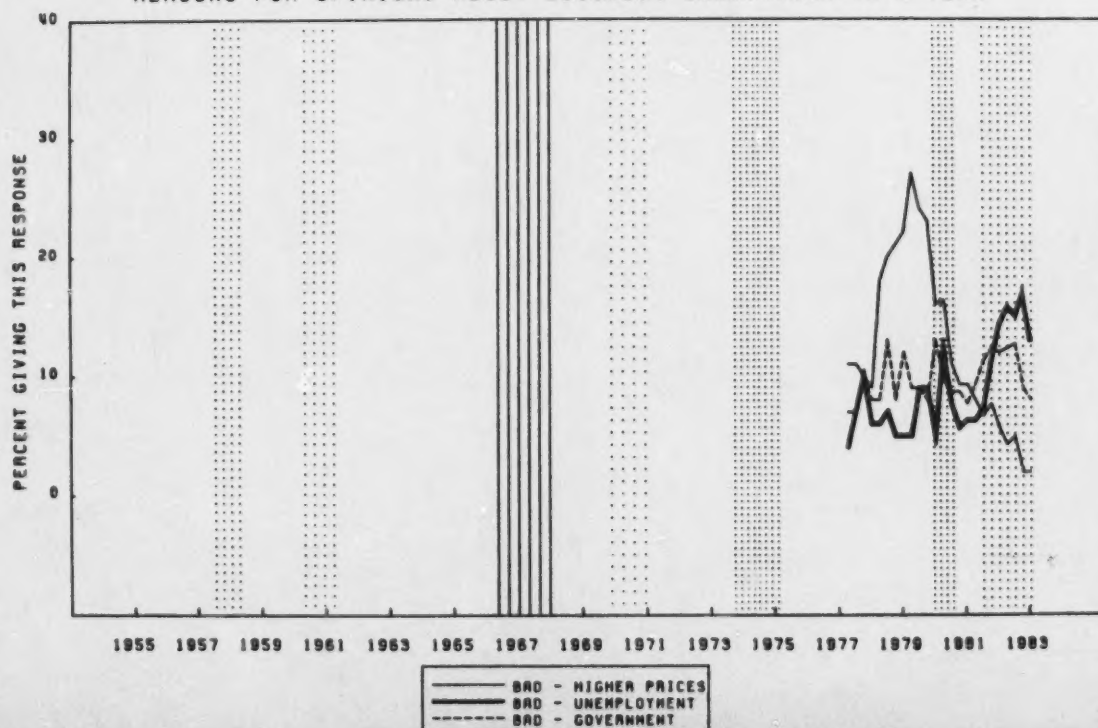


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	11%	10%	15%	26%	33%	27%	25%	16%	17%	14%	12%	13%	10%
Employment	4	2	4	4	3	4	3	4	4	4	5	6	12
Higher consumer demand	3	2	3	3	2	2	3	2	3	4	3	5	6
Lower prices	1	3	2	3	2	2	3	1	2	4	2	2	5
Easier credit	1	3	3	2	3	3	4	7	6	9	9	13	12
UNFAVORABLE REASONS:													
Government; elections	13	10	9	9	8	9	11	12	12	12	13	9	8
Unemployment	5	12	8	6	6	6	7	11	14	16	15	17	13
Lower consumer demand	7	5	5	3	4	4	5	6	7	6	4	4	3
Higher prices	16	16	11	9	9	8	7	8	6	4	5	2	2
Tighter credit	3	7	2	4	3	3	6	5	6	7	7	3	2
Energy crisis	6	2	1	1	1	*	*	*	*	*	*	*	*
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	15%	11%	17%	31%	38%	33%	29%	19%	20%	18%	15%	15%	9%
Employment	4	3	5	5	3	4	5	4	5	6	6	8	13
Higher consumer demand	5	2	4	5	3	3	4	3	4	5	4	6	8
Lower prices	2	4	2	3	3	3	4	1	3	5	3	3	6
Easier credit	3	6	3	4	5	5	8	7	9	11	12	17	16
UNFAVORABLE REASONS:													
Government; elections	13	8	9	8	8	8	7	11	11	13	11	9	7
Unemployment	4	11	7	4	4	5	6	9	13	12	13	15	10
Higher consumer demand	6	5	6	4	5	3	3	6	7	6	5	5	4
Higher prices	21	15	10	10	7	7	5	6	5	4	3	2	1
Tighter credit	3	9	3	5	4	4	8	7	7	7	8	4	2
Energy crisis	5	3	1	1	2	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

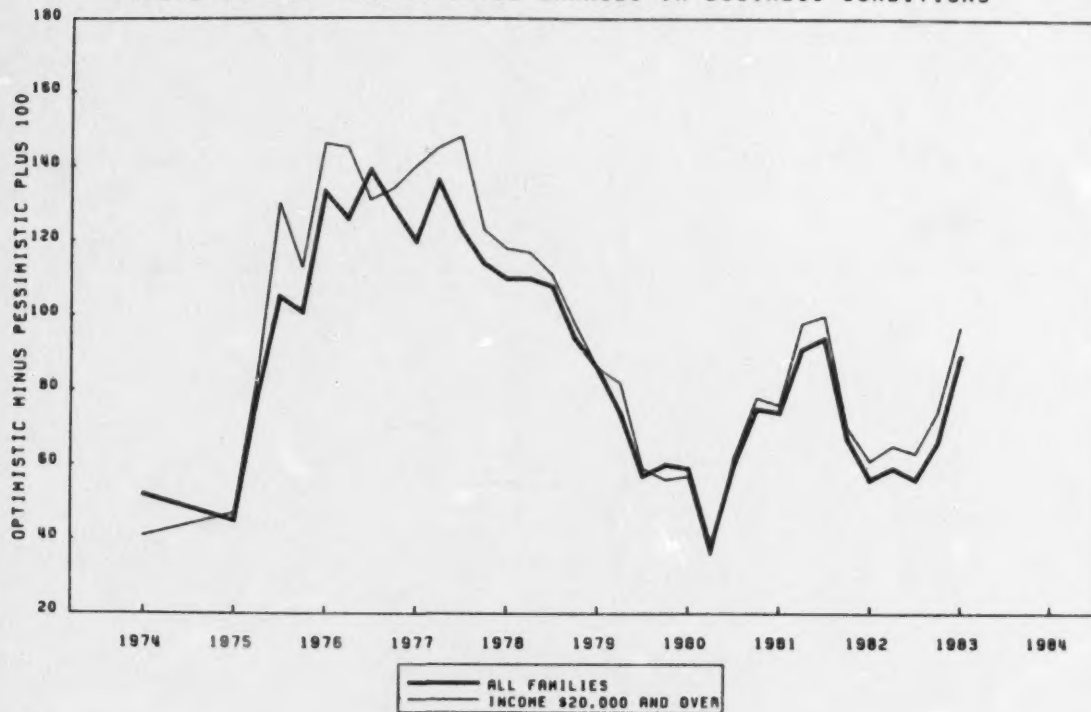


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

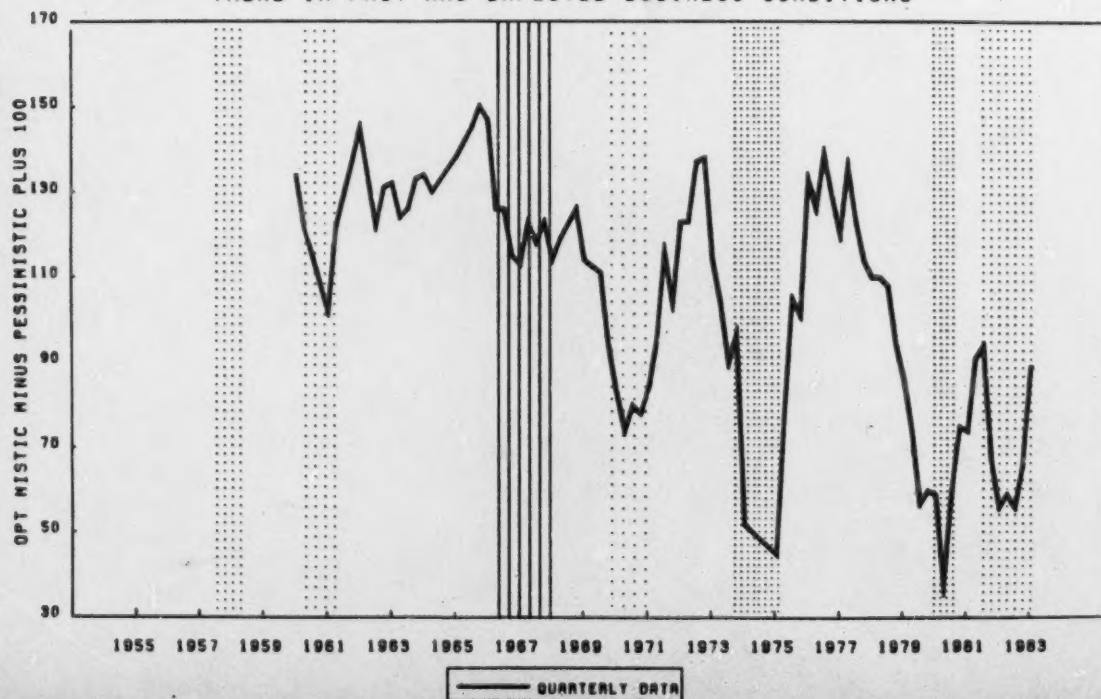


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	6%	2%	5%	8%	7%	16%	16%	8%	5%	7%	7%	9%	19%
Intermittent increase (b)	10	5	9	12	12	15	18	11	7	6	6	8	12
Remain unchanged (c)	7	2	3	5	7	9	7	4	3	3	3	3	4
Intermittent decline (d)	31	33	35	31	30	26	26	29	31	31	35	33	29
Continuous decline (e)	26	36	19	14	15	14	14	23	25	23	21	18	12
Mixed change (f)	15	18	24	23	24	16	15	20	26	27	25	27	22
DK,NA	5	4	5	7	5	4	4	5	3	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
TREND:													
Continuous increase (a)	5%	2%	6%	10%	9%	18%	18%	9%	6%	7%	7%	11%	22%
Intermittent increase (b)	11	3	8	12	11	17	18	12	6	6	7	10	14
Remain unchanged (c)	7	2	2	5	5	8	6	4	2	2	3	2	2
Intermittent decline (d)	31	35	35	29	31	26	27	30	30	29	35	30	30
Continuous decline (e)	27	34	18	14	13	11	9	21	21	20	17	16	9
Mixed change (f)	16	22	28	26	28	18	20	21	33	34	29	30	22
DK,NA	3	2	3	4	3	2	2	3	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

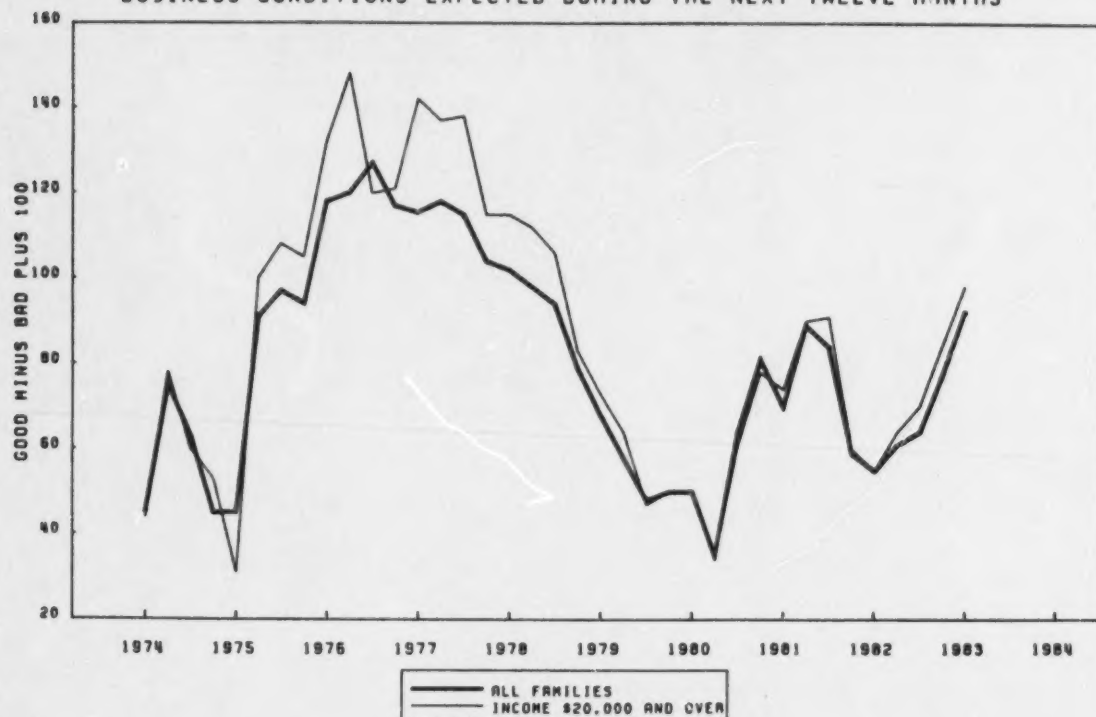


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

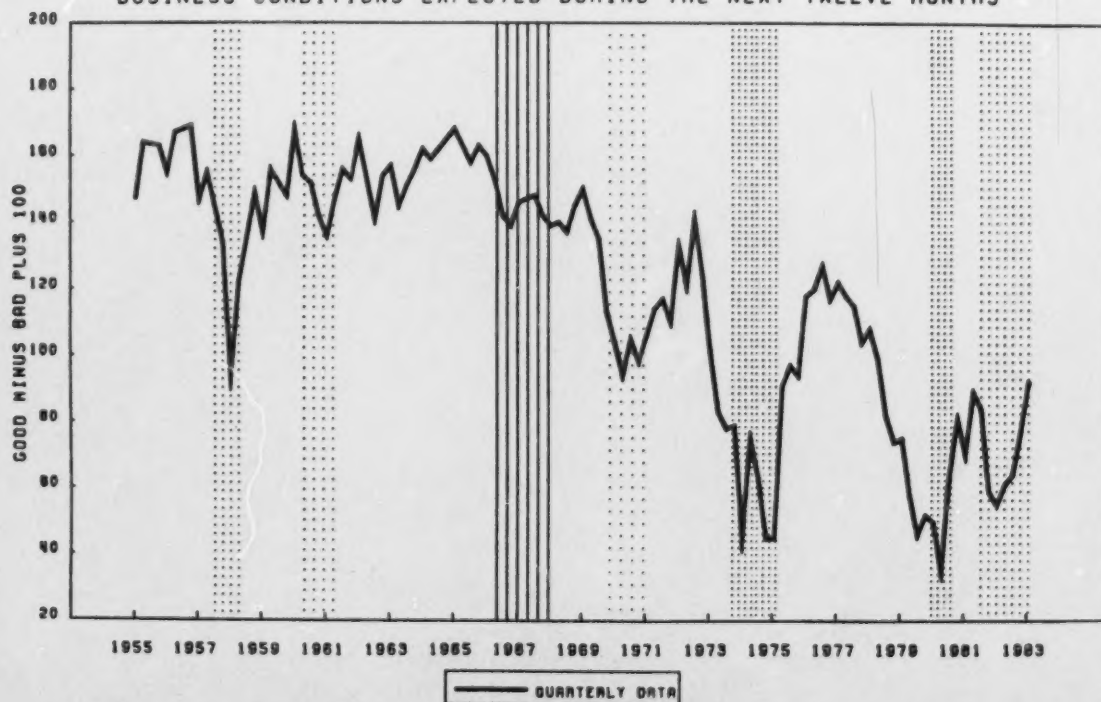


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIMES	20%	14%	26%	32%	28%	39%	36%	23%	23%	27%	27%	33%	42%
UNCERTAIN; GOOD & BAD	1	1	2	2	3	3	3	3	2	1	4	3	1
BAD TIMES	70	78	63	52	58	51	52	64	68	66	63	57	50
DON'T KNOW	4	4	6	8	7	5	5	6	3	4	3	4	3
NOT ASCERTAINED	5	3	3	6	4	2	4	4	4	2	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIMES	21%	15%	28%	33%	33%	41%	40%	25%	24%	29%	30%	37%	45%
UNCERTAIN; GOOD & BAD	1	2	2	2	2	3	3	3	2	2	4	4	1
BAD TIMES	71	80	66	55	59	51	49	66	69	65	61	54	48
DON'T KNOW	3	1	2	5	2	3	4	4	2	2	2	2	1
NOT ASCERTAINED	4	2	2	5	4	2	4	2	3	2	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

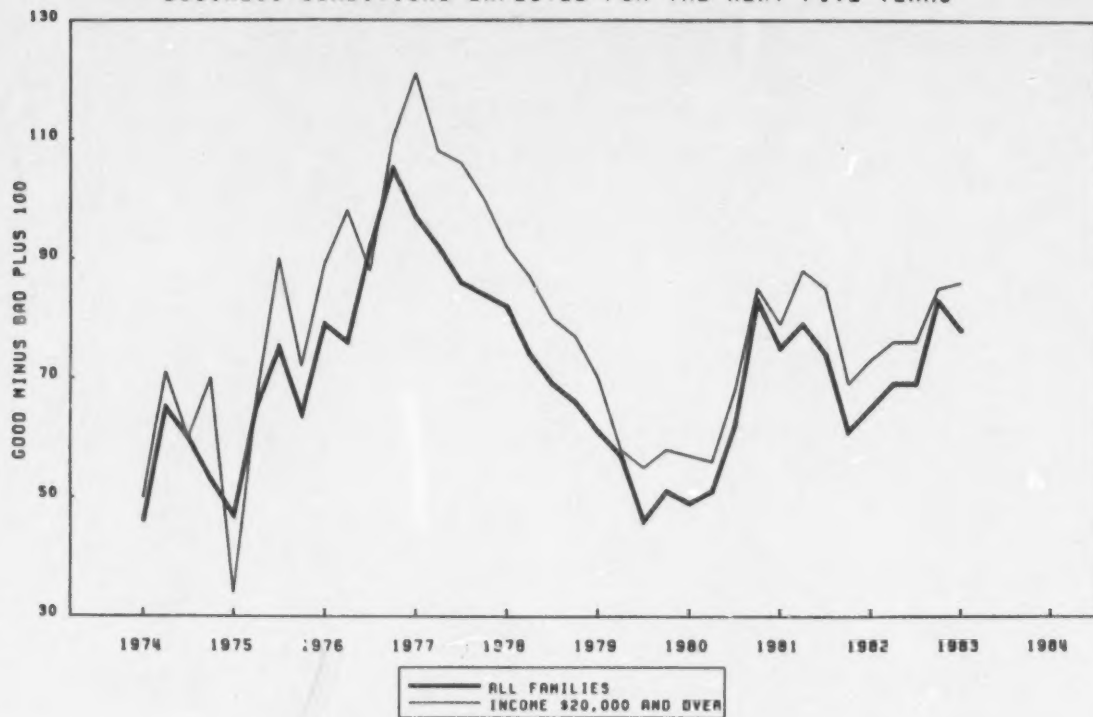


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

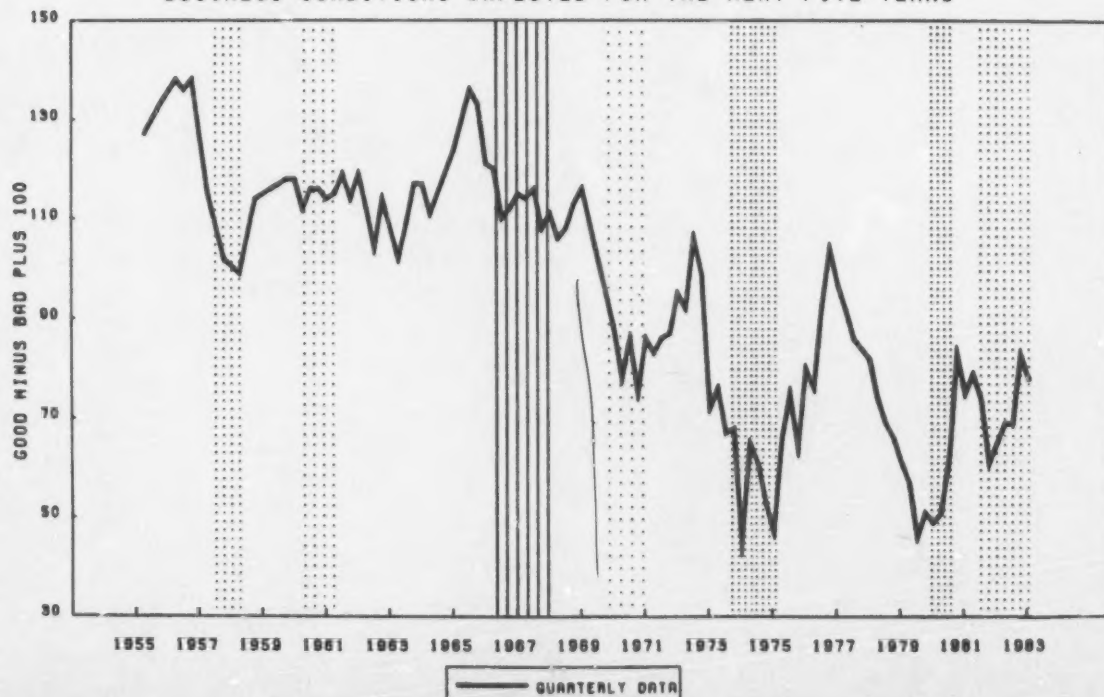


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIMES	17%	17%	21%	29%	28%	32%	28%	21%	25%	25%	24%	31%	30%
UNCERTAIN; GOOD & BAD	11	12	14	17	14	11	13	16	12	13	15	14	13
BAD TIMES	68	66	59	46	53	53	54	59	60	56	56	48	52
NOT ASCERTAINED	4	5	6	8	5	4	5	4	3	6	5	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIMES	21%	19%	25%	31%	30%	36%	33%	24%	28%	28%	28%	33%	34%
UNCERTAIN; GOOD & BAD	10	12	13	16	14	12	13	18	14	13	16	14	13
BAD TIMES	65	63	57	46	50	48	48	55	55	53	51	47	48
NOT ASCERTAINED	4	6	5	7	6	4	6	3	3	6	5	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

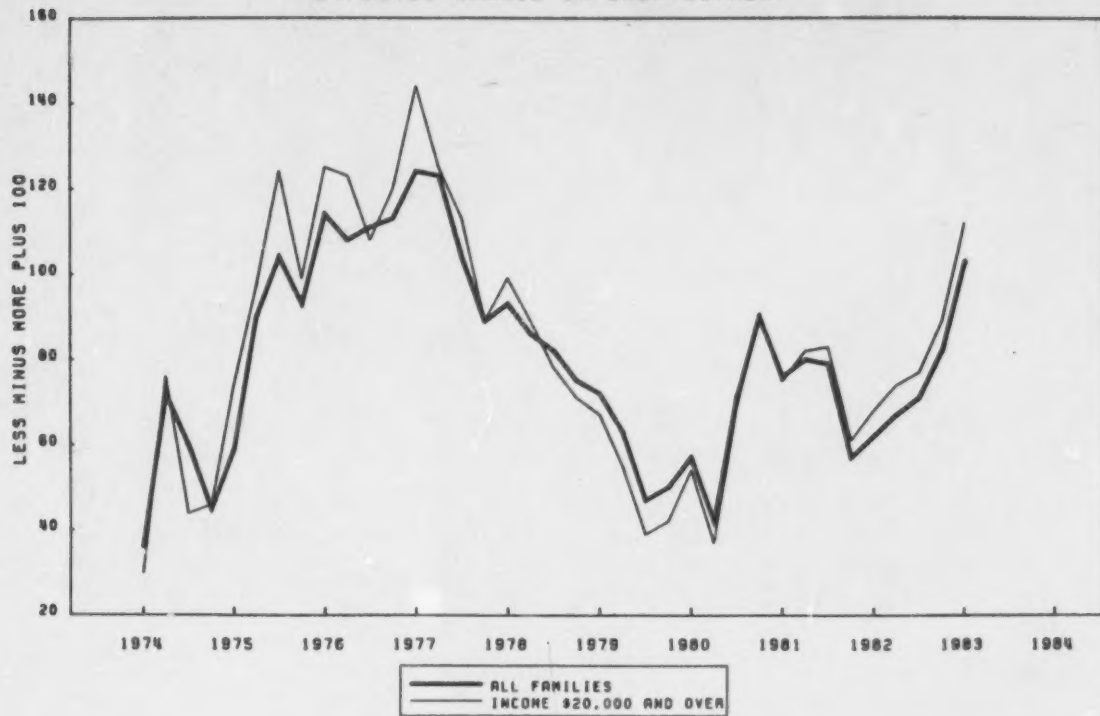


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

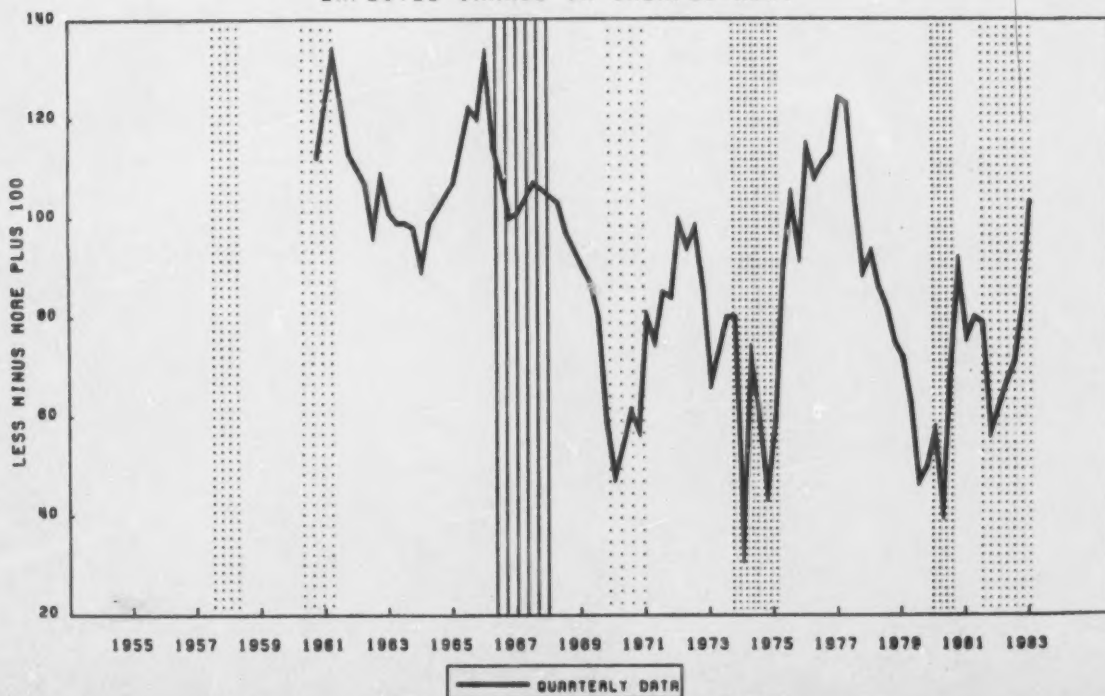


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
LESS	10%	7%	17%	21%	16%	17%	16%	11%	14%	16%	17%	21%	29%
SAME	36	26	35	45	42	44	45	33	33	35	36	39	43
MORE	52	66	46	31	40	37	37	54	52	48	46	38	27
DK,NA	2	1	2	3	2	2	2	2	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
LESS	9%	7%	16%	21%	16%	18%	17%	12%	17%	18%	19%	24%	34%
SAME	36	24	36	47	42	45	48	36	34	38	38	41	44
MORE	54	69	48	31	41	36	34	51	48	44	42	35	22
DK,NA	1	*	*	1	1	1	1	1	1	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

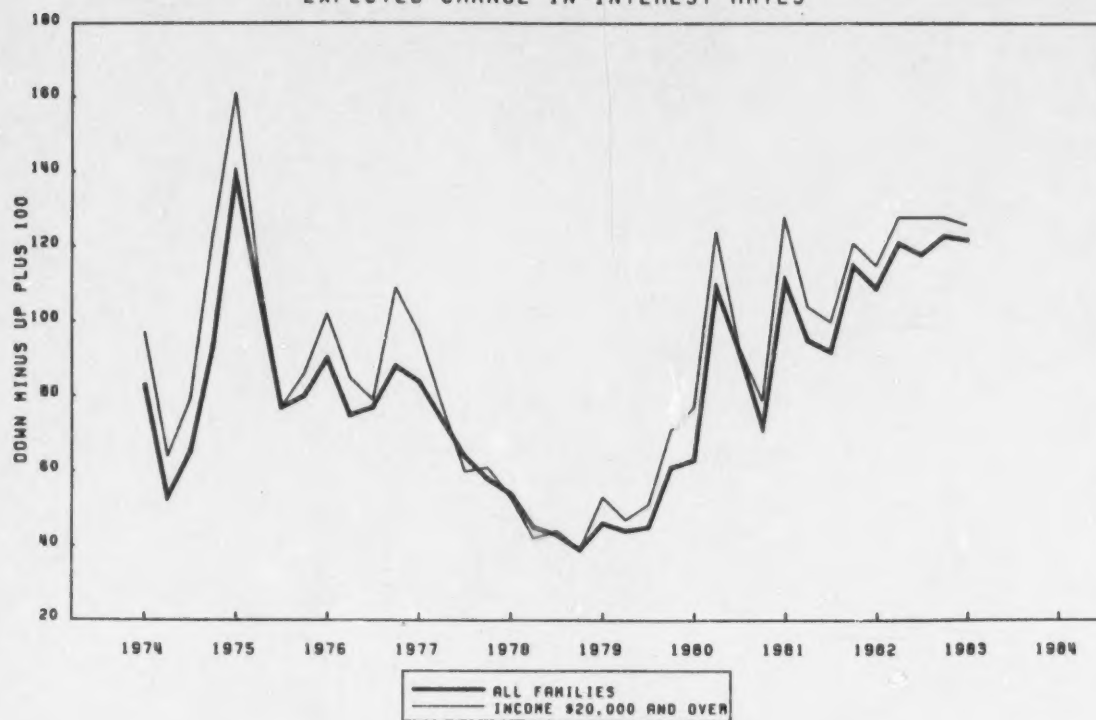


CHART 21 - HISTORICAL SERIES
EXPECTE CHANGE IN INTEREST RATES

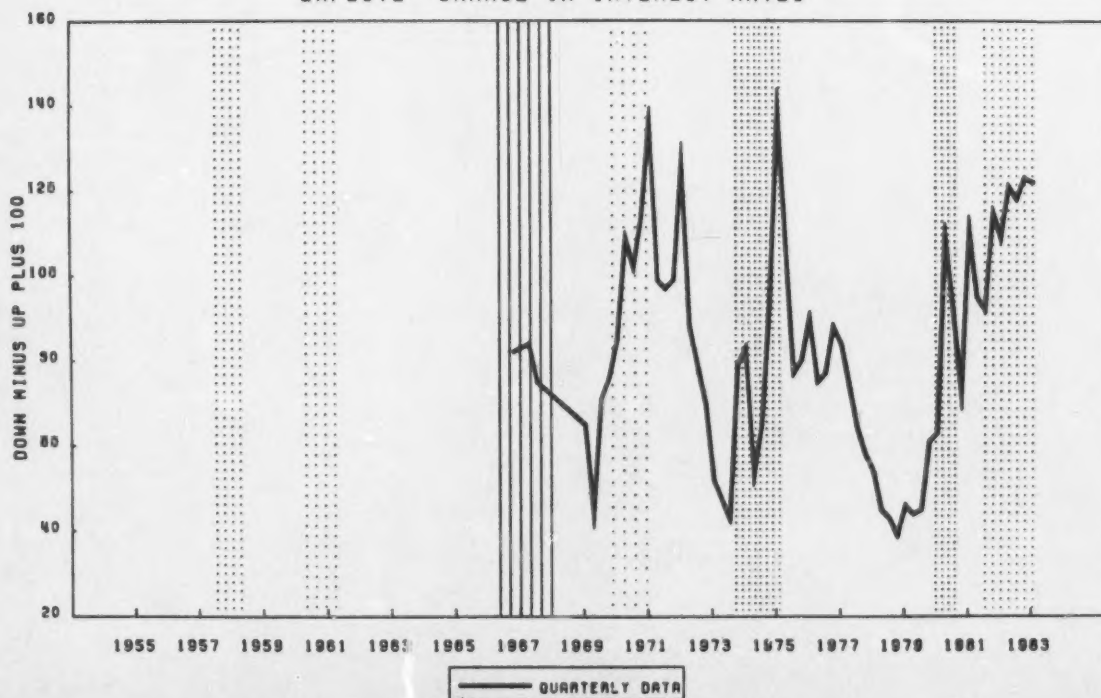


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GO UP	54%	34%	38%	51%	30%	37%	36%	27%	28%	21%	22%	22%	20%
STAY THE SAME	25	20	29	20	23	28	32	27	31	35	34	28	35
GO DOWN	17	43	29	23	41	31	28	42	37	41	40	46	42
DK,NA	4	3	4	6	6	4	4	4	4	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GO UP	47%	28%	37%	48%	22%	31%	32%	25%	25%	17%	18%	20%	18%
STAY THE SAME	27	19	30	21	23	31	35	27	33	36	34	30	36
GO DOWN	24	52	30	27	51	35	32	46	40	45	46	49	44
DK,NA	2	1	3	4	4	3	1	2	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

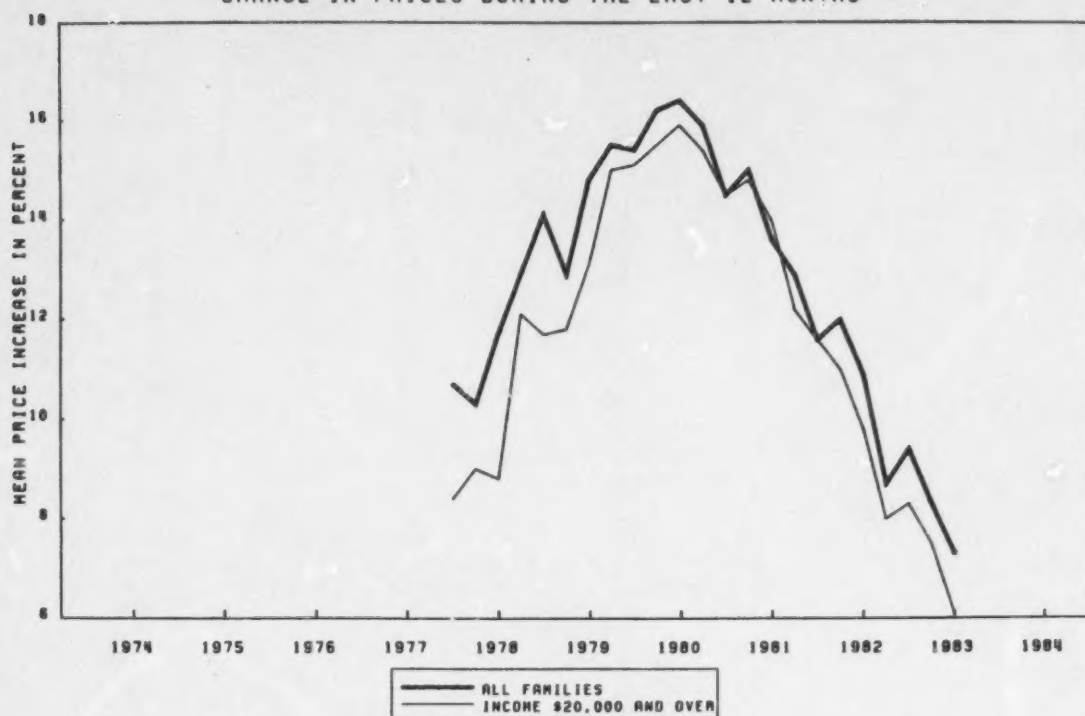


CHART 22 - HISTORICAL SERIES
CHANGE IN PRICES DURING THE LAST 12 MONTHS

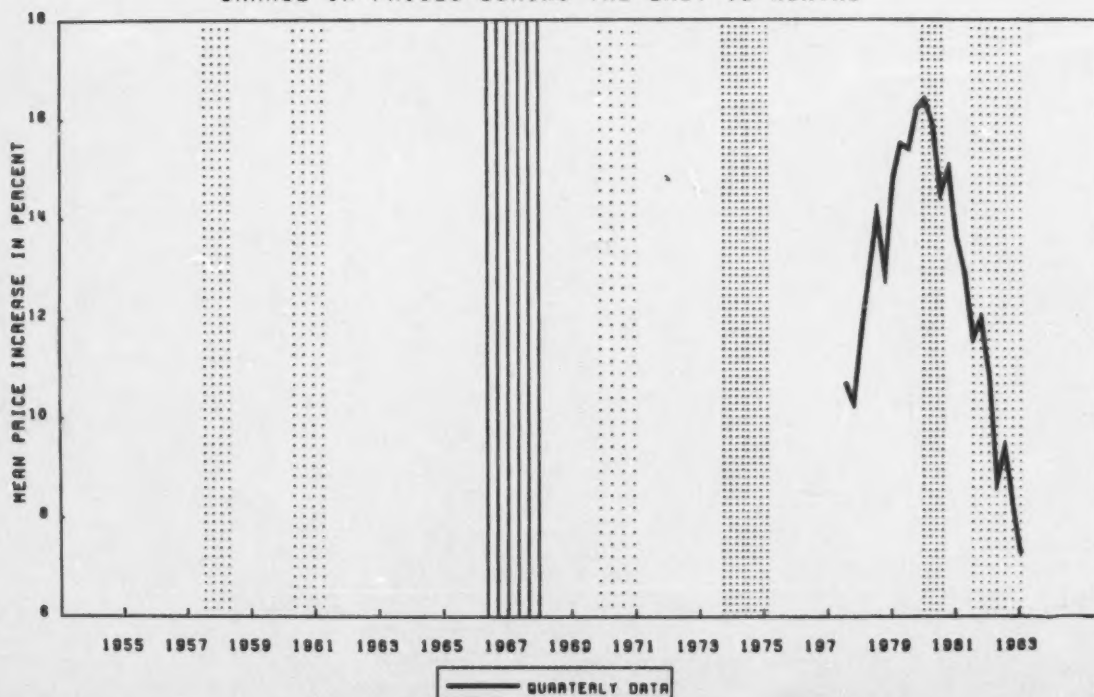


TABLE 22
CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
SAME OR DOWN	2%	5%	4%	2%	3%	6%	10%	8%	13%	17%	13%	20%	26%
GONE UP BY:													
1-2%	1	1	2	2	2	4	4	3	4	5	6	5	6
3-4%	4	3	5	4	4	7	6	7	6	9	9	8	10
5%	6	5	7	9	7	8	10	10	12	12	12	15	15
6-9%	8	8	11	11	9	11	13	14	14	14	14	12	9
10-14%	28	25	22	25	31	28	25	27	24	20	22	18	15
15% or more	38	38	31	31	26	27	24	23	21	17	17	15	13
DK how much up	13	14	17	15	17	9	8	7	6	6	6	6	5
DK,NA	*	1	1	1	1	*	*	1	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	16.4	15.9	14.5	15.0	13.6	12.9	11.6	12.0	10.9	8.7	9.4	8.3	7.3
VARIANCE	164	165	160	163	123	130	123	131	124	91	99	97	97
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
SAME OR DOWN	1%	3%	5%	2%	2%	4%	10%	9%	15%	19%	16%	23%	29%
GONE UP BY:													
1-2%	1	2	1	2	2	4	3	4	5	5	6	6	6
3-4%	2	3	5	3	3	5	5	7	5	9	9	9	11
5%	6	5	5	5	6	9	11	10	12	13	13	15	16
6-9%	9	8	12	11	11	11	13	14	16	15	17	13	11
10-14%	31	30	28	33	37	36	31	29	26	21	22	17	12
15% or more	44	41	35	34	31	26	24	21	19	15	14	13	11
DK how much up	6	8	9	9	8	5	3	5	2	3	3	4	3
DK,NA	*	*	*	1	*	*	*	1	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	15.9	15.4	14.5	14.8	14.0	12.2	11.6	11.0	9.8	8.0	8.3	7.5	6.1
VARIANCE	118	128	134	130	100	90	106	106	99	77	80	82	76

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

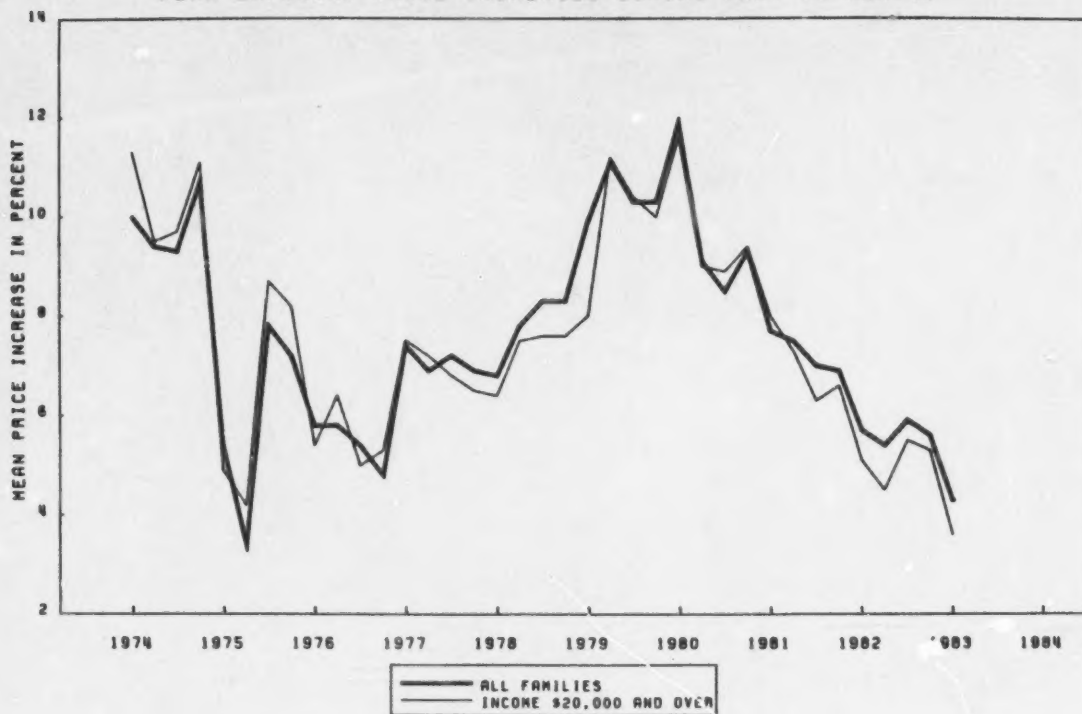


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

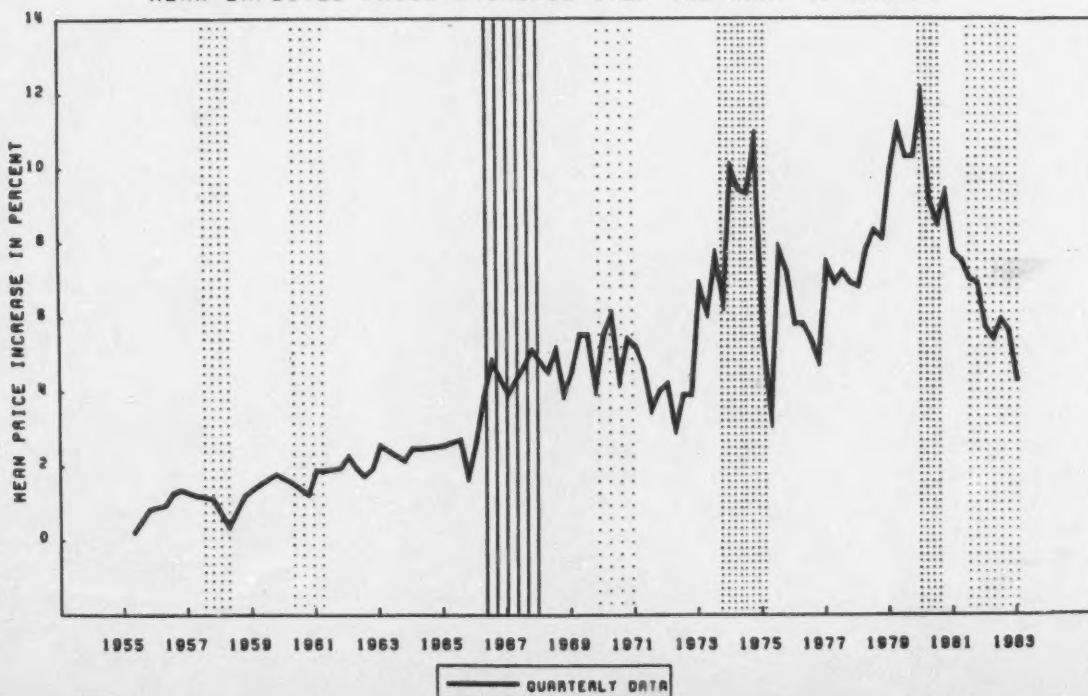


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
SAME OR DOWN	10%	26%	19%	21%	21%	28%	30%	29%	35%	33%	26%	32%	38%
WILL GO UP BY:													
1-2%	3	2	5	3	3	4	4	4	5	6	8	5	9
3-4%	4	4	6	5	8	7	7	7	8	9	10	10	12
5%	9	8	10	9	9	9	11	12	12	15	16	15	15
6-9%	11	9	11	11	12	11	13	13	12	10	13	10	7
10-14%	28	20	22	23	24	21	17	18	13	13	13	13	8
15% or more	24	19	13	16	10	12	11	10	9	8	8	9	6
DK how much up	9	10	12	10	11	6	6	5	4	3	4	4	3
DK,NA	2	2	2	2	2	2	1	2	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.9	9.1	8.5	9.3	7.7	7.5	7.0	6.9	5.7	5.4	5.9	5.6	4.3
VARIANCE	115	102	78	103	62	79	77	72	68	61	59	64	53
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
SAME OR DOWN	9%	23%	16%	16%	16%	25%	30%	30%	34%	37%	25%	32%	39%
WILL GO UP BY:													
1-2%	3	2	4	2	3	4	5	4	5	6	8	5	10
3-4%	3	5	8	5	7	6	7	7	9	8	11	10	13
5%	7	9	11	9	12	9	12	12	14	17	17	16	18
6-9%	10	11	13	14	15	16	15	14	14	12	16	12	7
10-14%	38	24	27	28	30	24	19	20	15	13	12	14	6
15% or more	25	20	15	16	9	11	10	9	7	5	7	7	4
DK how much up	5	5	5	9	7	4	2	4	1	1	3	3	2
DK,NA	*	1	1	1	1	1	*	*	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.6	9.0	8.9	9.4	8.0	7.3	6.3	6.6	5.1	4.5	5.5	5.3	3.6
VARIANCE	72	75	78	77	50	56	53	66	41	40	46	51	36

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

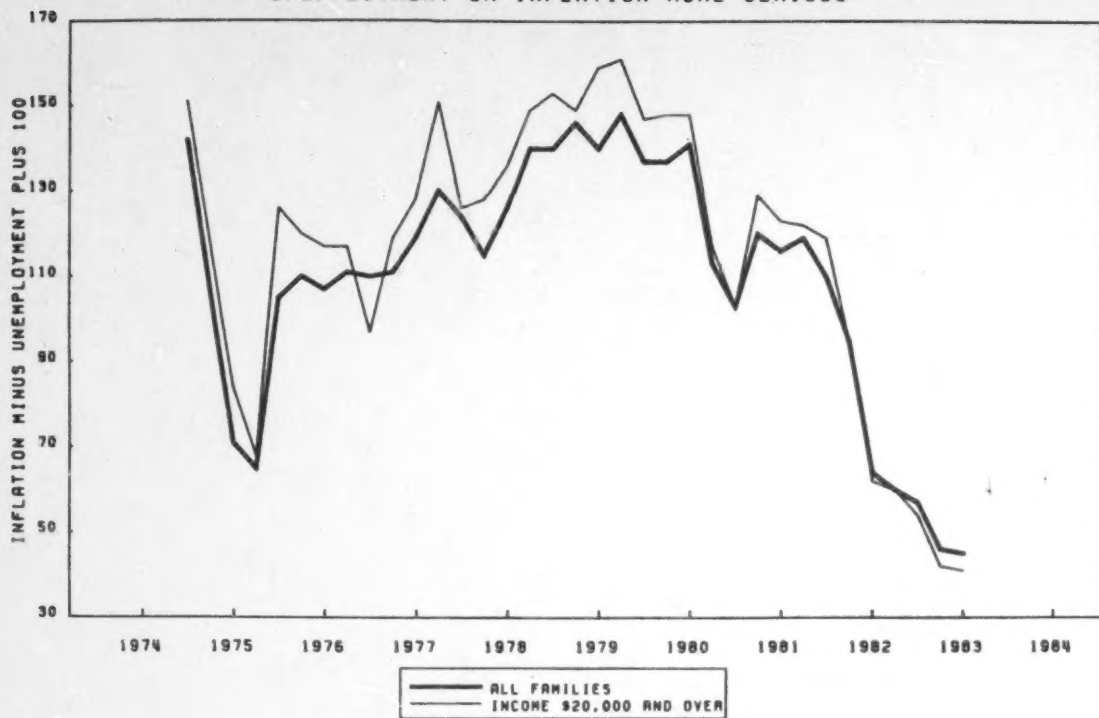


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

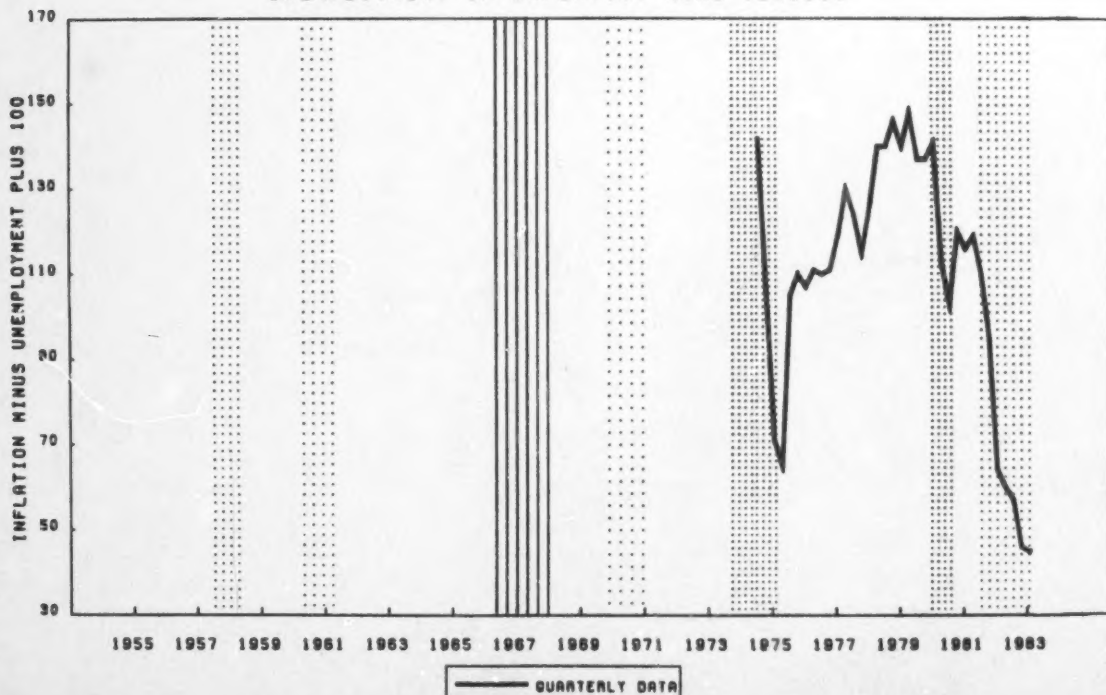


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
UNEMPLOYMENT	25%	36%	42%	34%	36%	34%	39%	45%	61%	64%	66%	72%	73%
BOTH EQUALLY SERIOUS	7	14	10	11	11	10	10	12	12	11	10	9	7
INFLATION	66	49	45	54	51	54	50	41	26	24	23	18	18
DK,NA	2	1	3	1	2	2	1	2	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
UNEMPLOYMENT	23%	35%	43%	33%	33%	35%	35%	47%	64%	65%	69%	76%	76%
BOTH EQUALLY SERIOUS	6	11	11	6	9	8	9	9	10	9	8	5	6
INFLATION	71	53	45	61	57	57	55	43	26	25	23	18	18
DK,NA	*	1	1	*	1	*	1	1	*	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

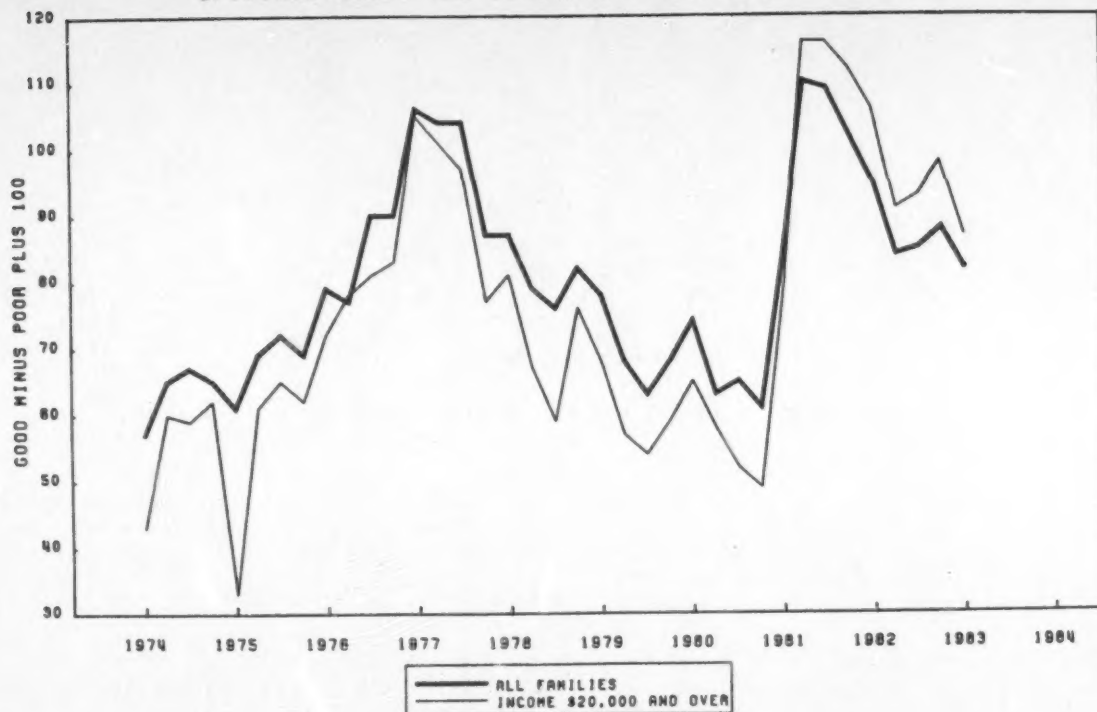


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

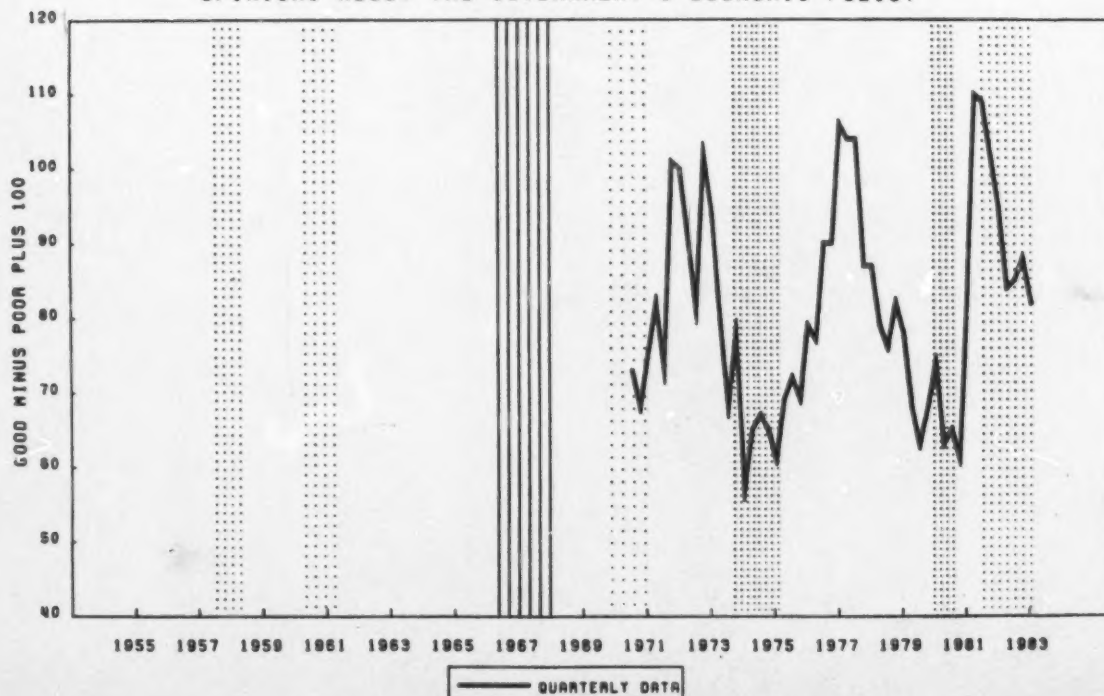


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
A GOOD JOB	10%	7%	9%	7%	17%	28%	30%	26%	23%	19%	18%	20%	18%
ONLY FAIR	50	45	44	44	42	50	45	46	45	43	46	44	44
A POOR JOB	36	44	44	46	33	18	21	25	29	35	33	32	36
DK,NA	4	4	3	3	8	4	4	3	3	3	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
A GOOD JOB	8%	6%	5%	4%	17%	33%	33%	32%	30%	22%	22%	25%	19%
ONLY FAIR	49	44	40	41	38	48	47	47	44	45	47	45	47
A POOR JOB	42	49	53	54	39	17	17	19	24	31	29	26	32
DK,NA	1	1	2	1	6	2	3	2	2	2	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

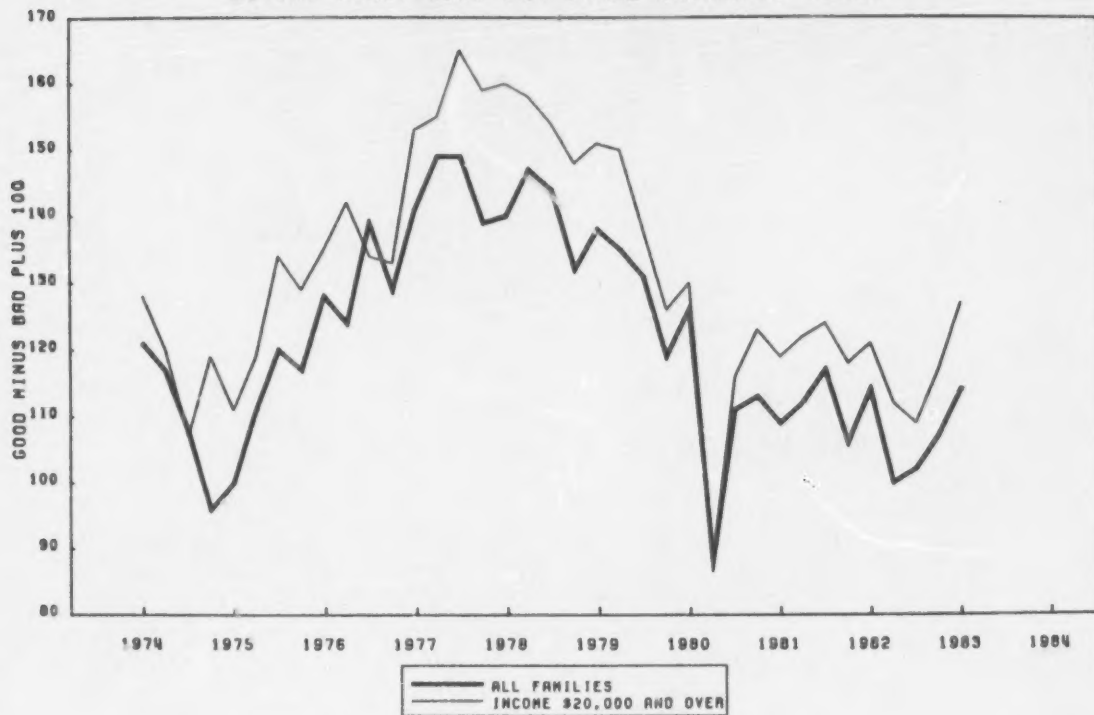


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

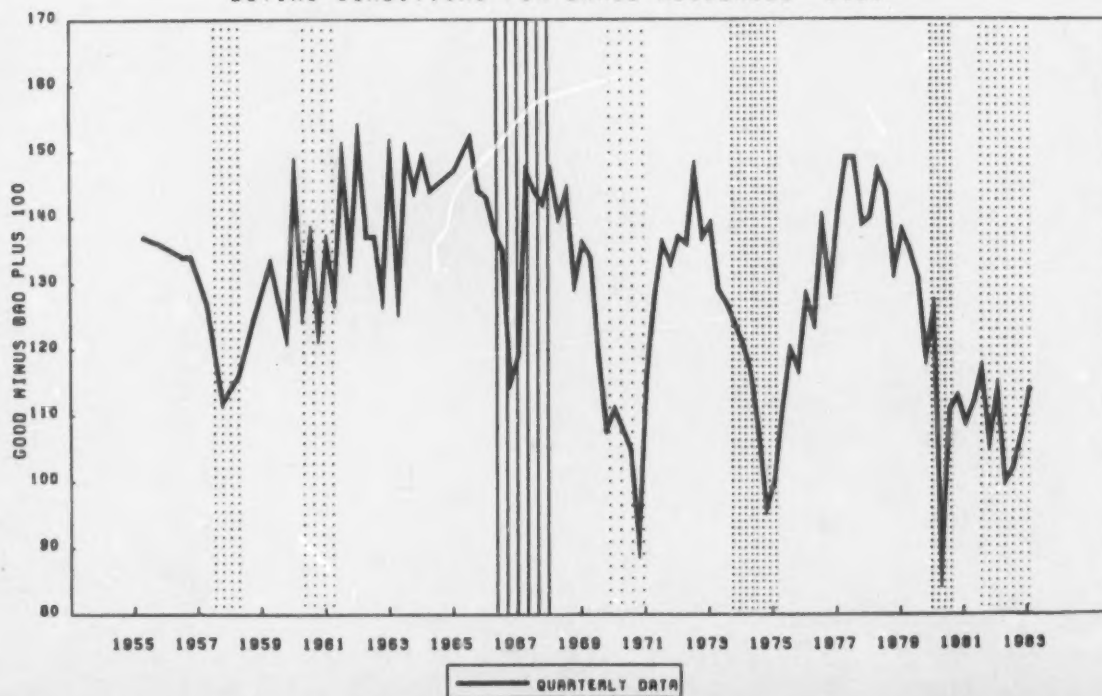


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY	58%	39%	48%	50%	47%	49%	51%	46%	51%	43%	44%	48%	53%
UNCERTAIN, DEPENDS	10	10	16	13	15	14	15	13	12	14	14	12	9
BAD TIME TO BUY	32	51	36	37	38	37	34	41	37	43	42	40	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY	61%	40%	51%	54%	52%	53%	55%	53%	54%	48%	47%	52%	59%
UNCERTAIN, DEPENDS	8	9	14	14	15	15	14	11	13	15	15	13	9
BAD TIME TO BUY	31	51	35	32	33	32	31	36	33	37	38	35	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

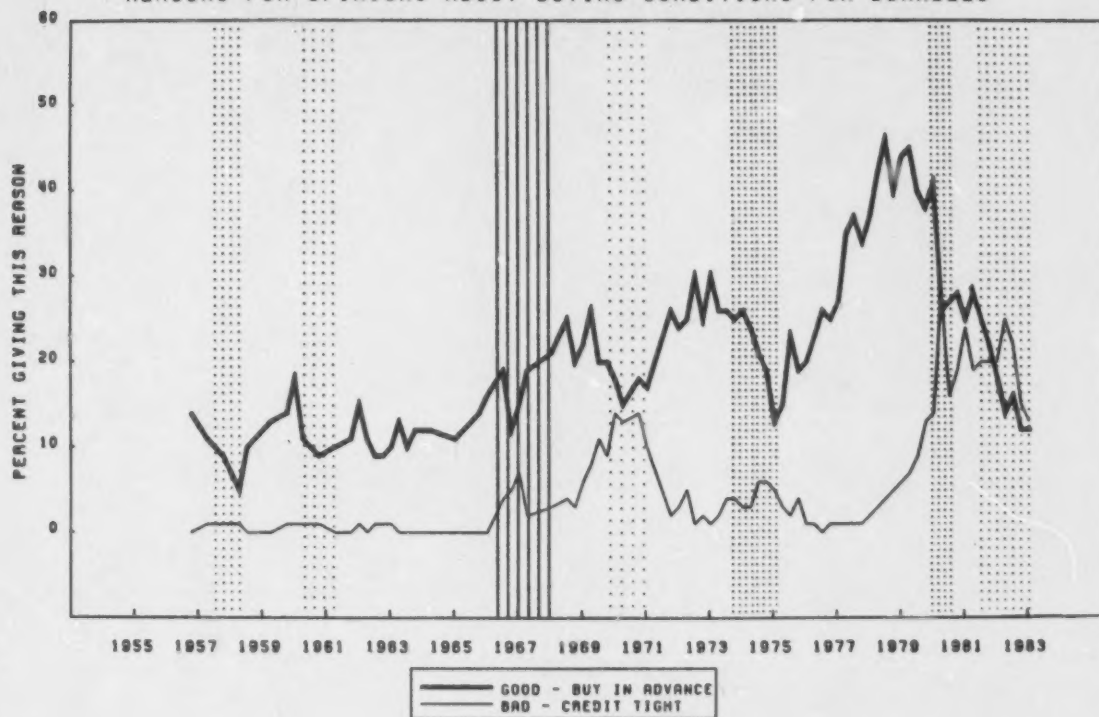


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

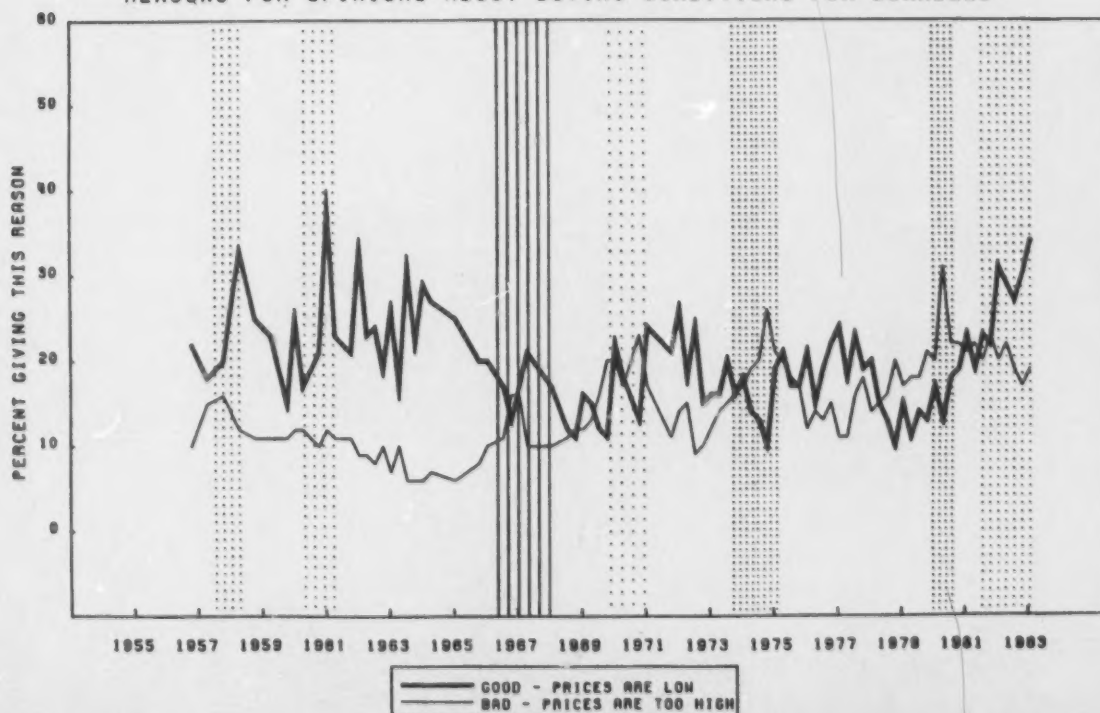


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	13%	18%	19%	23%	19%	23%	22%	31%	29%	27%	30%	34%
Prices won't come down; are going higher	41	26	27	28	25	28	25	22	18	14	16	12	12
Interest rates low; credit is easy	4	3	4	3	2	2	2	2	2	2	3	6	9
BAD TIME TO BUY:													
Prices are high	20	31	22	22	21	22	20	23	20	22	19	17	19
Interest rates are high; credit is tight	14	28	16	19	24	19	20	20	20	25	22	15	13
Lack of purchasing power	13	15	15	11	13	11	8	13	15	20	20	22	19
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	15%	20%	23%	25%	23%	26%	27%	36%	33%	34%	35%	39%
Prices won't come down; are going higher	44	26	30	30	31	30	27	24	20	16	17	12	14
Interest rates low; credit is easy	3	3	5	4	3	3	3	1	2	2	4	7	11
BAD TIME TO BUY:													
Prices are high	16	27	20	16	18	16	18	19	16	18	16	13	12
Interest rates are high; credit is tight	17	33	16	24	27	23	24	21	24	26	27	17	14
Lack of purchasing power	11	15	15	8	10	8	9	11	14	16	17	20	18

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

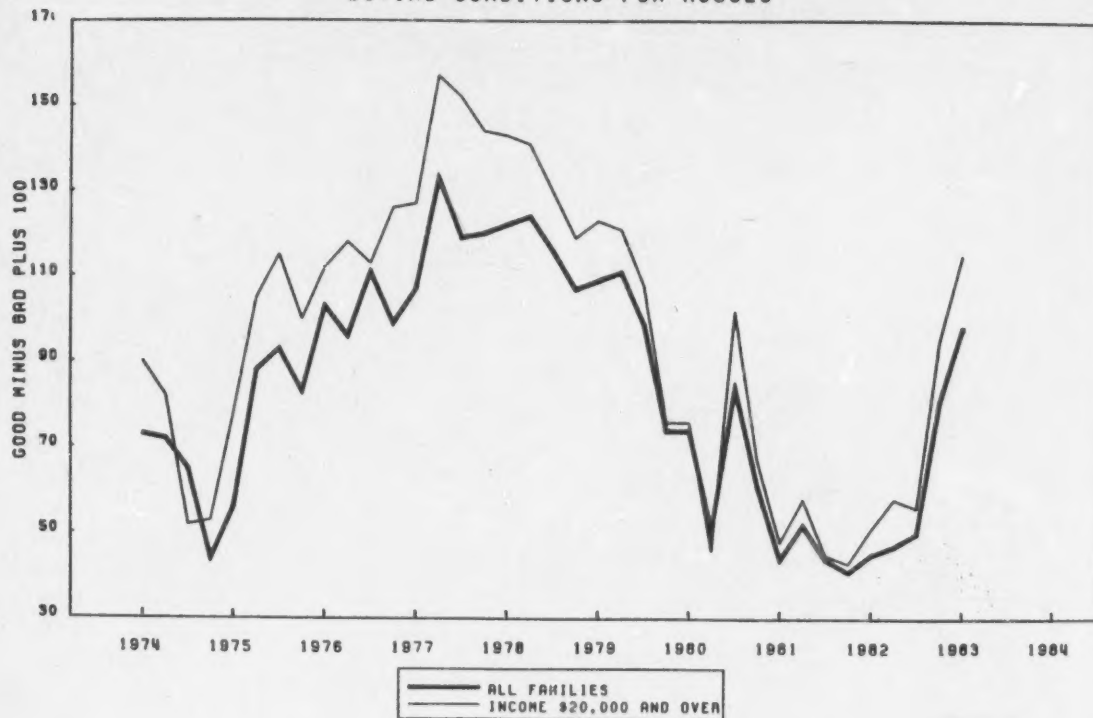


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

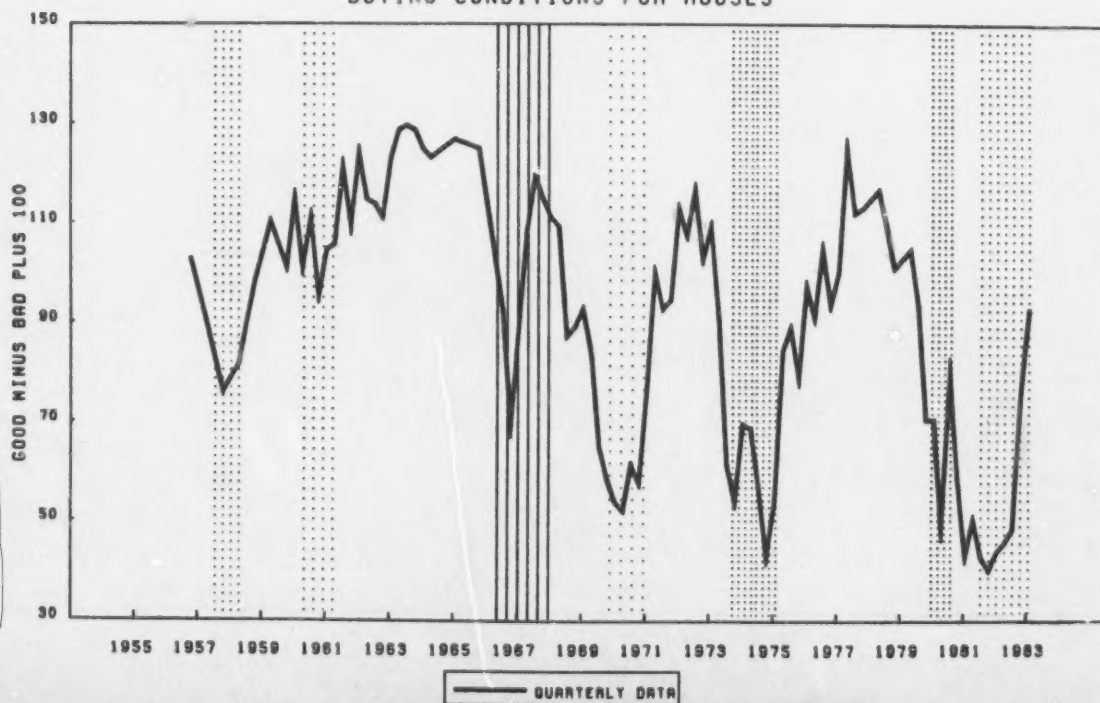


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY	35%	22%	39%	28%	20%	23%	19%	18%	20%	20%	21%	38%	48%
UNCERTAIN, DEPENDS	5	7	6	5	4	6	7	6	6	7	8	5	2
BAD TIME TO BUY	60	71	55	67	76	71	74	76	74	73	71	57	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY	36%	20%	48%	30%	21%	27%	19%	18%	23%	25%	24%	45%	56%
UNCERTAIN, DEPENDS	4	6	6	6	5	4	6	7	6	7	7	5	2
BAD TIME TO BUY	60	74	46	64	74	69	75	75	71	68	69	50	42
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

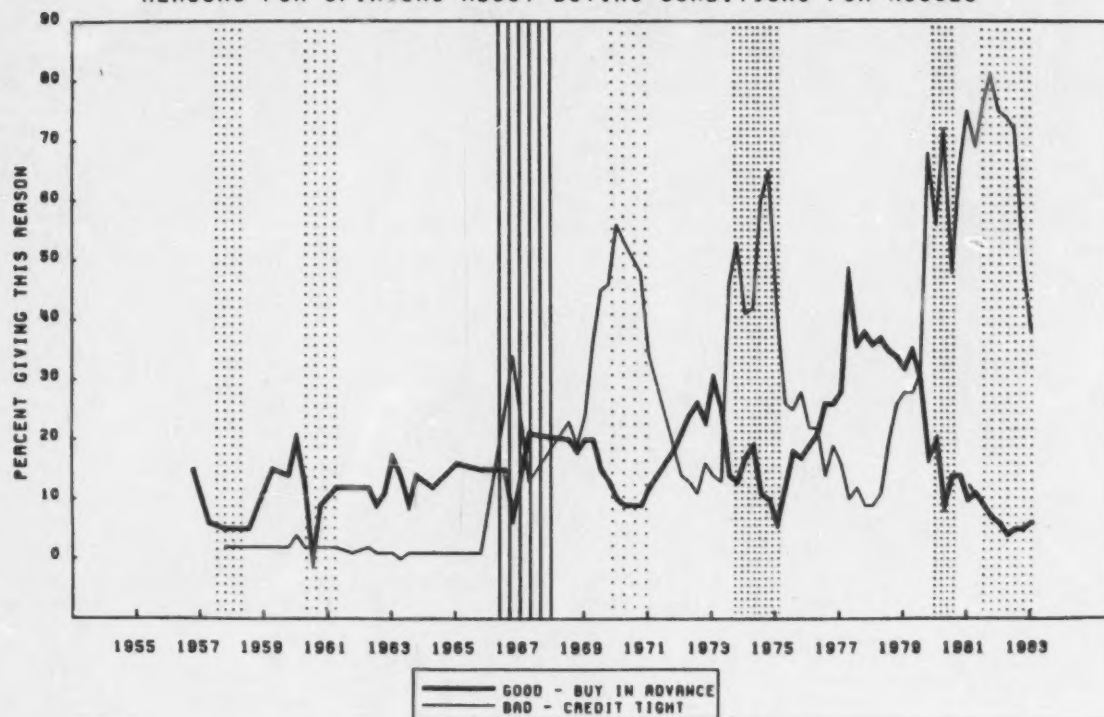


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

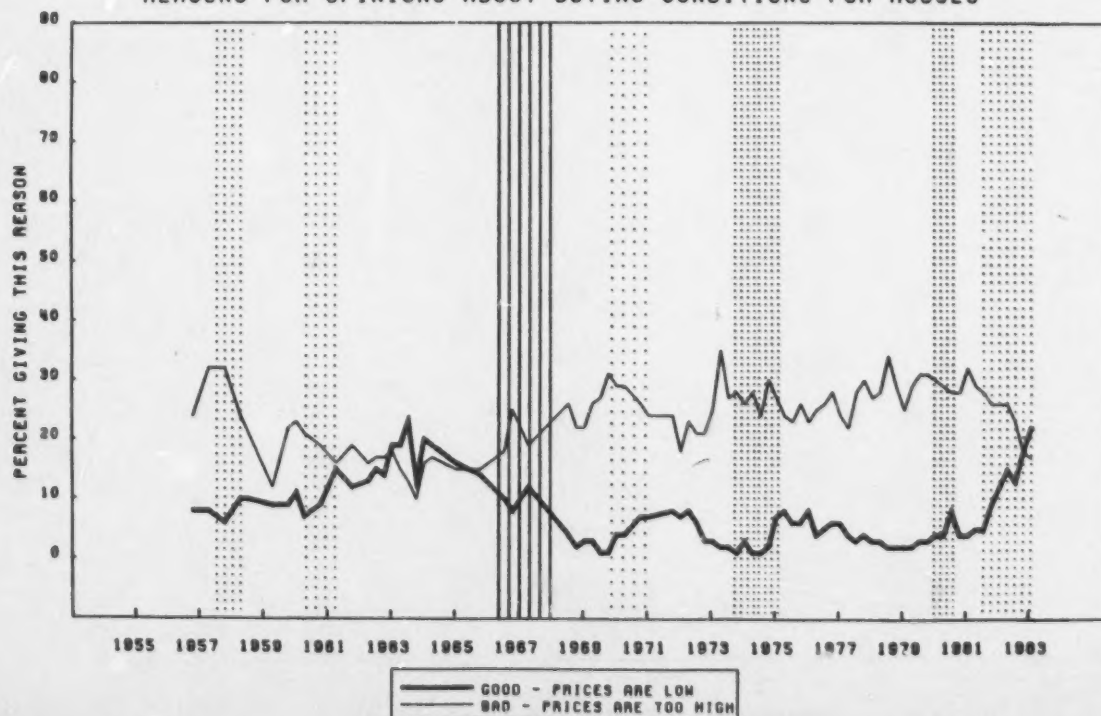


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	4%	8%	4%	4%	5%	5%	9%	12%	15%	13%	18%	22%
Prices won't come down; are going higher	20	9	14	14	10	11	9	7	6	4	5	5	6
Interest rates low; credit is easy	9	8	24	11	5	7	7	5	6	6	10	29	40
Good investment	12	7	8	7	8	7	5	4	5	5	3	4	4
BAD TIME TO BUY:													
Prices are high	30	29	28	28	32	29	28	26	26	26	23	18	17
Interest rates are high; credit is tight	56	72	48	66	75	69	76	81	75	74	72	50	38
Lack of purchasing power	8	9	13	12	12	12	13	16	21	21	23	23	22
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	5%	7%	13%	7%	7%	6%	6%	10%	17%	21%	19%	24%	27%
Prices won't come down; are going higher	20	8	16	13	11	14	11	7	6	6	4	5	7
Interest rates low; credit is easy	10	9	32	13	7	8	8	5	8	8	13	36	50
Good investment	14	7	10	9	8	8	6	5	4	5	3	5	5
BAD TIME TO BUY:													
Prices are high	28	28	25	24	30	26	24	22	23	23	18	16	13
Interest rates are high; credit is tight	63	80	45	74	82	74	86	85	80	73	77	48	37
Lack of purchasing power	7	8	9	8	9	8	10	14	15	17	18	16	16

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

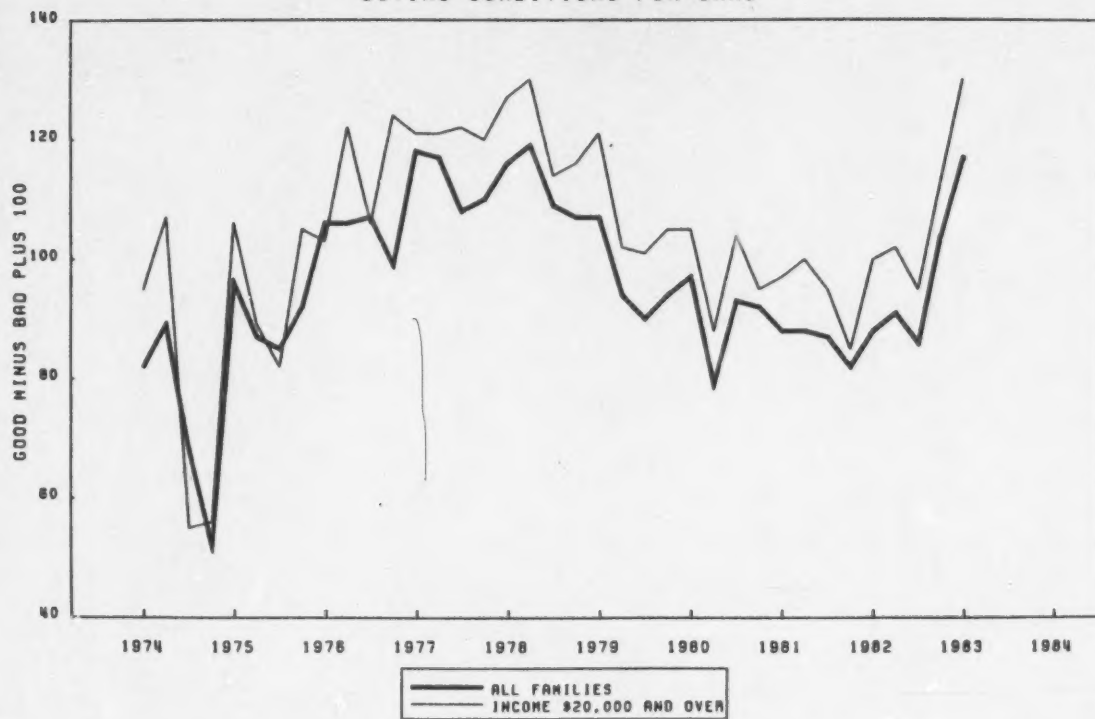


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

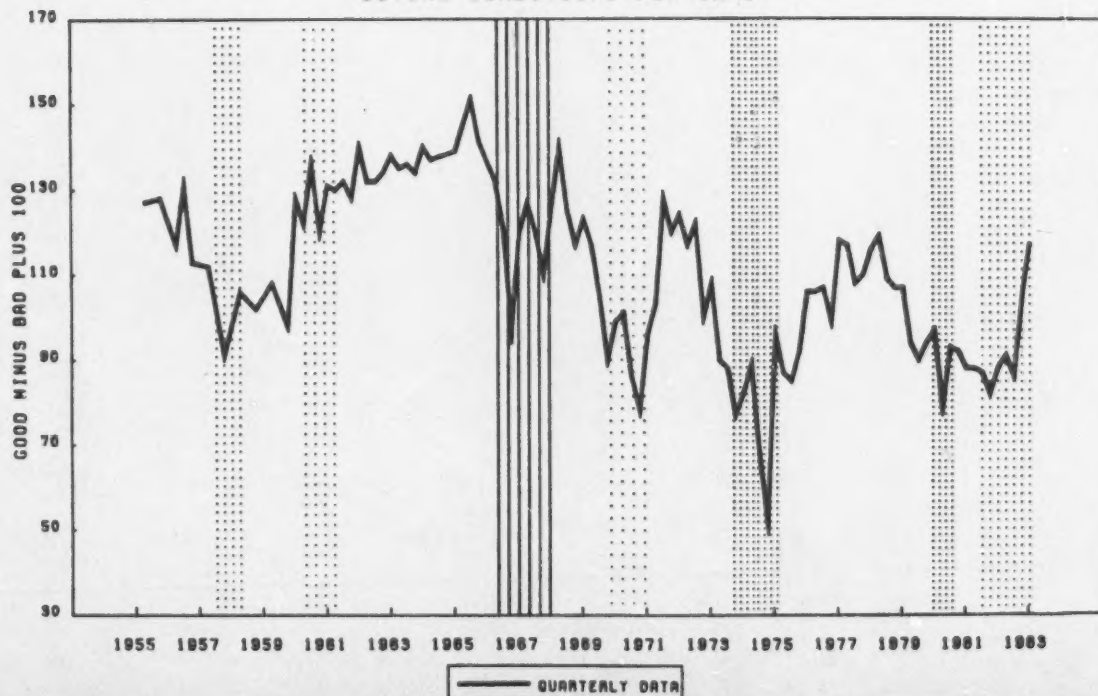


TABLE 30
BUYING CONDITIONS FOR CARS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY	44%	34%	40%	40%	38%	39%	39%	36%	39%	41%	37%	47%	55%
UNCERTAIN; DEPENDS	9	11	13	13	12	9	9	10	10	9	11	9	7
BAD TIME TO BUY	47	55	47	47	50	52	52	54	51	50	52	44	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY	48%	39%	45%	42%	43%	47%	44%	39%	46%	48%	43%	53%	61%
UNCERTAIN; DEPENDS	9	10	13	11	10	6	7	7	8	6	9	8	8
BAD TIME TO BUY	43	51	42	47	47	47	49	54	46	46	48	39	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

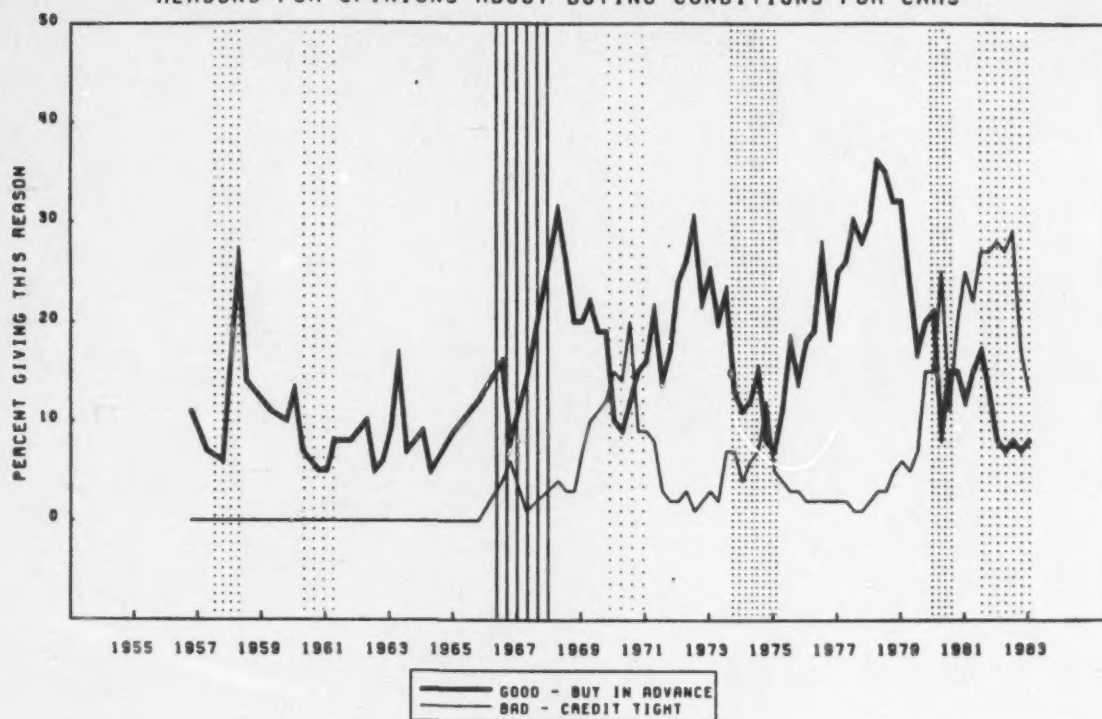


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

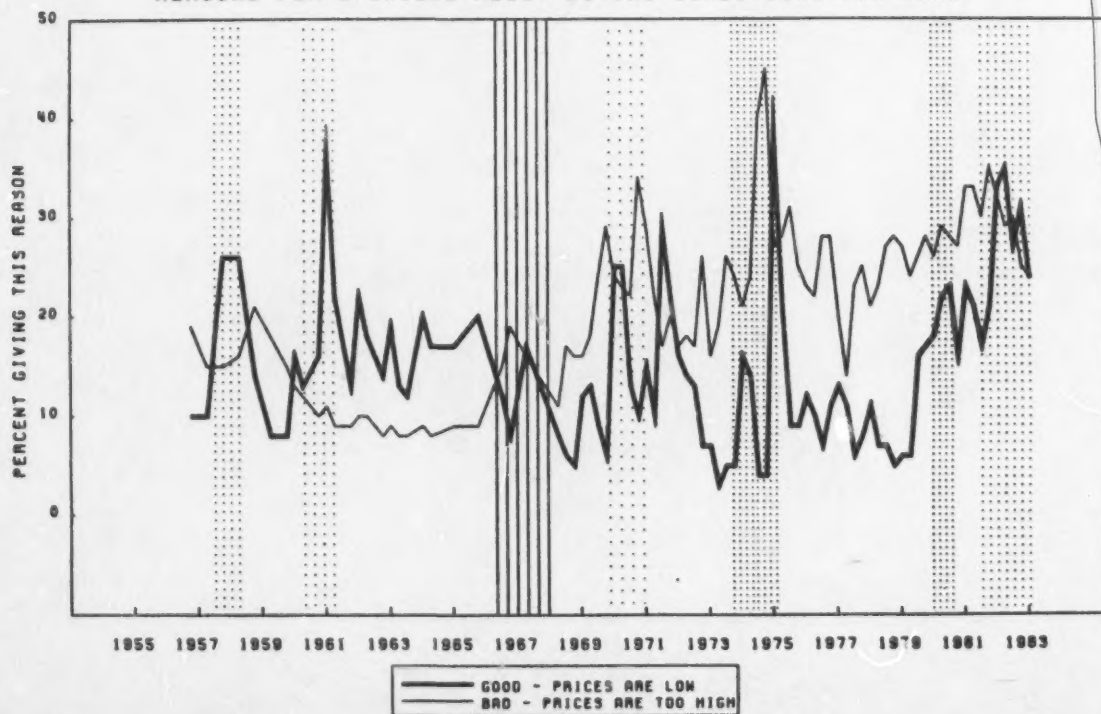


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	22%	23%	16%	23%	21%	17%	21%	33%	35%	27%	31%	24%
Prices won't come down; are going higher	21	9	15	15	12	15	17	13	8	7	8	7	8
Interest rates low; credit is easy	3	3	4	3	3	3	5	5	4	8	7	19	33
New fuel efficient models	12	8	6	8	5	5	4	1	2	1	1	1	2
BAD TIME TO BUY:													
Prices are high	26	29	28	27	33	33	30	35	32	29	30	25	24
Interest rates are high; credit is tight	15	25	11	20	25	22	27	27	28	27	29	17	13
Lack of purchasing power	6	6	8	8	8	7	6	9	14	12	13	14	11
Price of gas; shortages	16	13	5	4	6	3	3	2	2	1	1	1	*
Poor selection; quality	10	8	12	12	9	9	9	9	8	8	8	7	5
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	24%	30%	28%	18%	32%	28%	20%	24%	42%	41%	35%	34%	30%
Prices won't come down; are going higher	22	9	17	17	14	18	18	14	10	6	9	6	8
Interest rates low; credit is easy	3	2	6	4	4	4	7	7	5	11	10	25	39
New fuel efficient models	13	8	7	7	5	5	5	2	2	1	2	1	1
BAD TIME TO BUY:													
Prices are high	24	25	25	26	27	28	30	36	31	26	29	25	20
Interest rates are high; credit is tight	15	28	10	22	31	24	28	30	28	29	30	19	13
Lack of purchasing power	4	6	8	5	6	3	3	7	11	10	10	10	5
Price of gas; shortages	13	9	4	3	2	3	2	1	1	1	1	*	*
Poor selection; quality	12	10	15	17	10	11	12	11	7	8	8	7	6

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

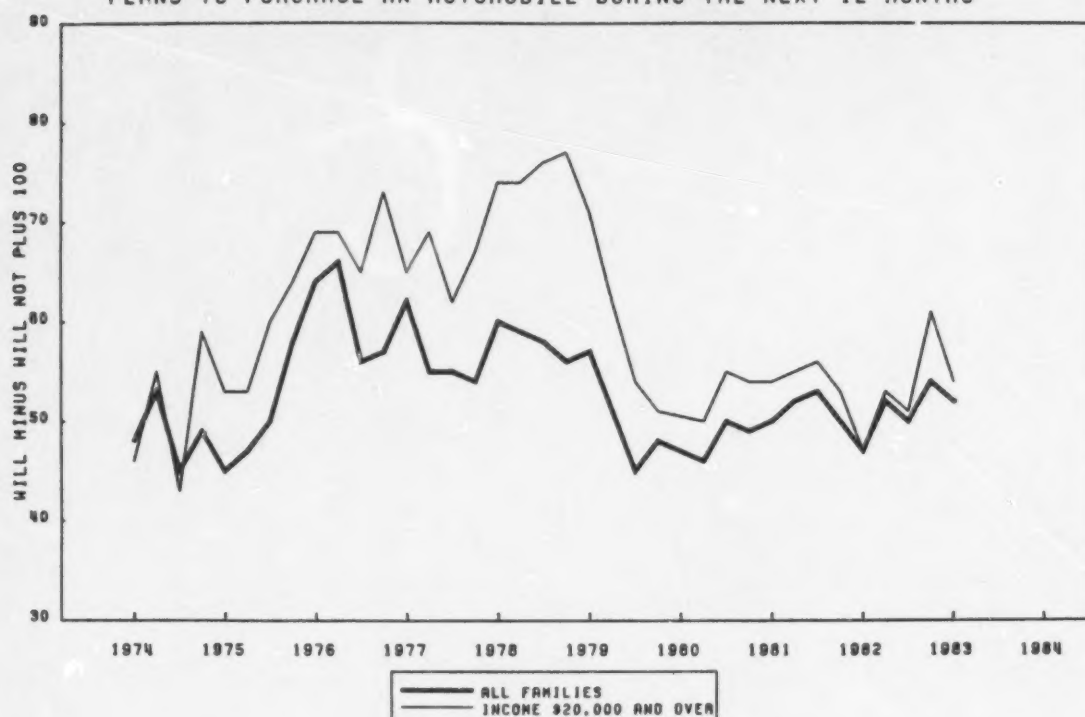


CHART 32 - HISTORICAL SERIES
PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

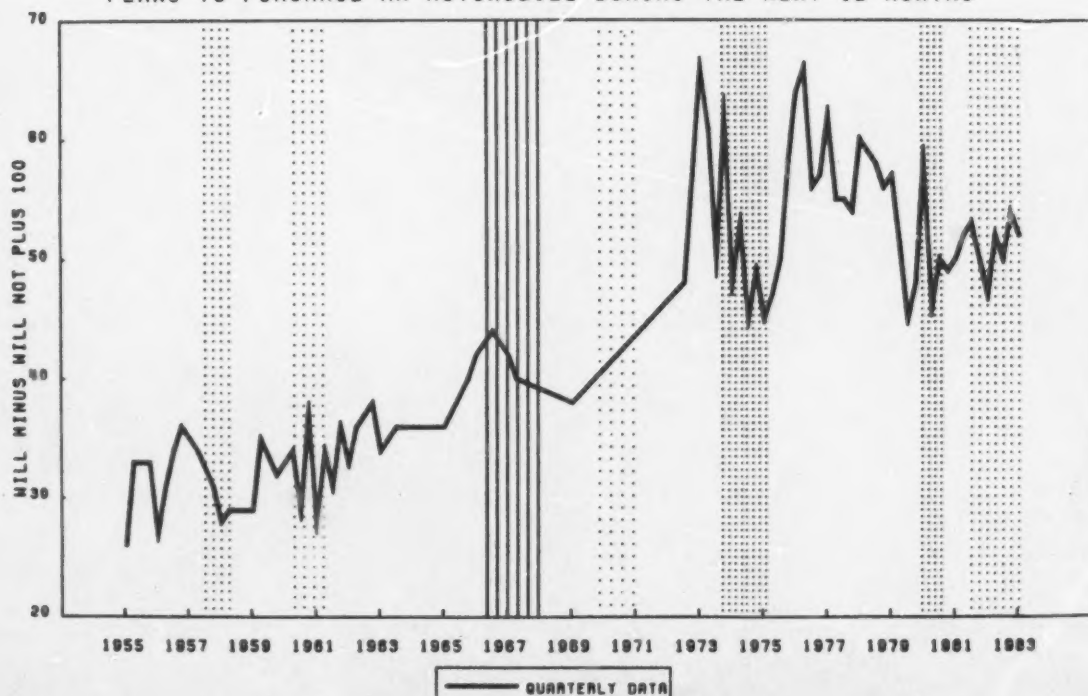


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
PROBABLY WILL BUY	20%	14%	16%	15%	15%	16%	17%	17%	16%	18%	16%	19%	17%
CHANCES ARE EVEN	8	7	6	6	7	8	6	7	7	7	7	8	8
PROBABLY WILL NOT BUY	62	68	66	67	65	65	63	66	68	66	67	65	65
DK,NA	10	11	12	12	13	11	14	10	9	9	10	8	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
PROBABLY WILL BUY	30%	18%	22%	23%	22%	22%	23%	22%	19%	22%	21%	25%	22%
CHANCES ARE EVEN	9	11	8	7	9	9	8	6	7	7	7	8	8
PROBABLY WILL NOT BUY	59	69	66	68	67	67	67	69	72	69	70	64	68
DK,NA	2	2	4	2	2	2	2	3	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	28%	21%	22%	21%	22%	24%	23%	24%	23%	25%	23%	27%	25%
PURCHASE TYPE:													
Buy new	14	9	9	10	10	10	10	11	10	11	11	12	12
Buy used	12	9	11	8	9	11	10	11	11	12	10	12	11
Lease	1	1	1	1	1	1	2	1	1	1	1	2	1
DK,NA	1	2	1	2	2	2	1	1	1	1	1	1	1
PURCHASE TIMING:													
Next 3 months	2	3	3	3	2	4	4	2	3	4	4	4	3
Next 4-6 months	7	6	5	3	5	7	6	6	6	6	5	6	6
Next 7-9 months	7	5	3	6	6	6	3	7	6	6	3	6	7
10 months or more	6	3	4	4	4	3	5	5	5	4	5	6	5
DK,NA	6	4	7	5	5	4	5	4	3	5	6	5	4
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	39%	29%	30%	30%	31%	31%	31%	28%	26%	29%	28%	33%	30%
PURCHASE TYPE:													
Buy new	23	16	16	16	17	17	16	12	14	15	15	17	17
Buy used	12	9	11	11	8	11	12	13	10	11	11	13	11
Lease	3	2	1	2	3	2	2	1	1	2	1	2	1
DK,NA	1	2	2	1	3	1	1	2	1	1	1	1	1
PURCHASE TIMING:													
Next 3 months	3	4	5	4	4	4	5	4	3	3	5	4	3
Next 4-6 months	12	7	7	6	7	9	7	6	7	8	6	7	8
Next 7-9 months	9	8	6	7	8	10	6	8	7	8	5	8	7
10 months or more	8	4	4	6	6	4	7	6	5	5	6	8	7
DK,NA	7	6	8	7	6	4	6	4	4	5	6	6	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?", "Would you buy or lease?" and "When do you think you might buy or lease a car?"

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981	Oct- Dec. 1981	Jan- Mar. 1982	Apr- June 1982	Jul- Sept 1982	Oct- Dec. 1982	Jan- Mar. 1983
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	62%	68%	66%	67%	65%	65%	63%	66%	68%	66%	67%	65%	65%
PURCHASE TYPE:													
Would buy new	36	39	38	40	34	38	34	35	37	36	38	37	33
Would buy used	24	26	26	24	28	25	27	29	29	28	27	26	30
DK,NA	2	3	2	3	3	2	2	2	2	2	2	2	2
PURCHASE TIMING:													
Less than 2 years	7	7	5	6	5	7	5	6	7	5	5	6	7
2 years	21	17	20	21	21	20	20	20	22	22	21	22	20
3 years	7	11	10	13	10	10	10	9	11	12	12	10	10
4 years or more	17	20	20	16	18	19	19	21	21	19	20	18	21
Indefinite	3	4	4	4	4	4	3	3	2	2	3	3	2
DK,NA	7	9	7	7	7	5	6	7	5	6	6	6	5
B. FAMILIES WITH INCOMES OF \$20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	59%	69%	66%	68%	67%	67%	67%	69%	72%	69%	70%	64%	68%
PURCHASE TYPE:													
Would buy new	39	47	48	49	44	44	43	42	46	42	48	40	41
Would buy used	19	20	17	17	21	21	24	25	25	25	21	22	26
DK,NA	1	2	1	2	2	2	*	2	1	2	1	2	1
PURCHASE TIMING:													
Less than 2 years	8	8	6	7	7	7	7	7	10	7	5	7	8
2 years	24	23	24	26	22	24	23	23	25	26	25	24	25
3 years	6	12	13	13	11	11	14	10	13	14	15	11	11
4 years or more	15	20	18	16	20	20	19	22	21	17	19	17	21
Indefinite	1	2	2	2	3	2	2	2	1	1	2	2	1
DK,NA	5	4	3	4	4	3	2	5	2	4	4	3	2

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

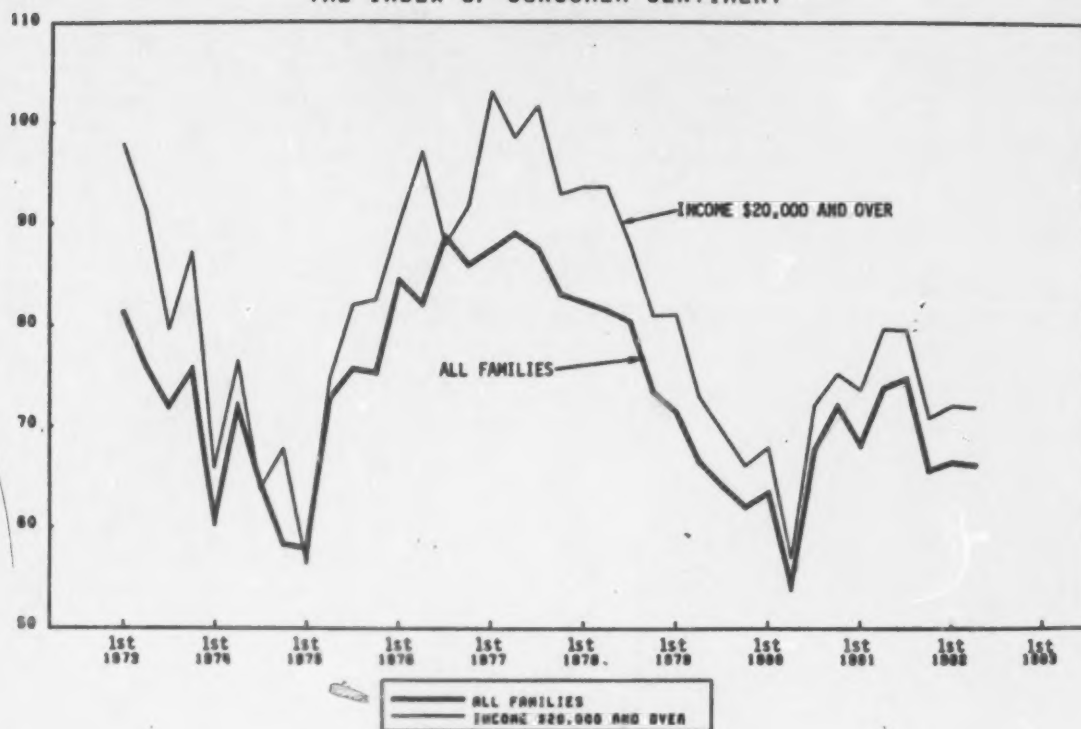
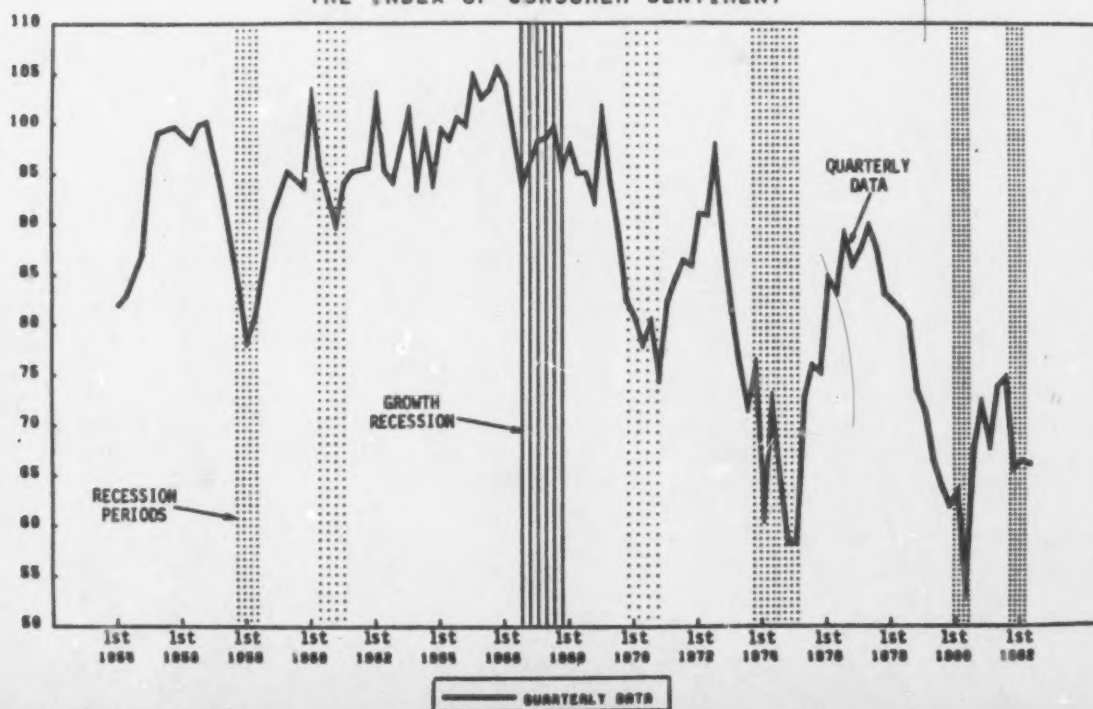


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November 1948	-	October 1949
	July 1953	-	May 1954
	August 1957	-	April 1958
	April 1960	-	February 1961
	June 1966	-	November 1967*
	December 1969	-	November 1970
	November 1973	-	March 1975
	January 1980	-	July 1980
	July 1981	-	

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS^a OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

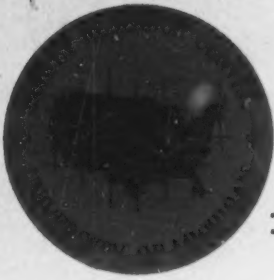
Reported Percentages	Number of Interviews		
	700 ^b	1,400 ^c	2,100 ^d
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

^aThe figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

^bAverage size of monthly surveys.

^cAverage size of two monthly surveys.

^dAverage size of three monthly surveys (one quarter).



Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

First Quarter Surveys
January-March 1983

April 29, 1983

CONSUMER CONFIDENCE INCREASES

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Fears of Unemployment Ease But Concerns Persist	2
Buyers Respond to Lower Prices and Interest Rates.	4
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Financing the Recovery	6

ATTACHMENTS:

January-March 1983 Tables and Charts

Modest Upturn Widely Expected

At the start of 1983 more families expected business conditions to improve than at any other time during the prior twenty years. In the first quarter 1983 surveys, business conditions were expected to improve during the year ahead by 45 percent of all families, exceeded only by record levels recorded in 1961 (51 percent). Just 13 percent of all families interviewed in the first quarter of 1983 expected worsening economic conditions during the year ahead. When asked to explain their views, respondents stated that they expected favorable trends in interest rates, unemployment, and inflation during the next 12 months.

Although economic improvement was expected by near record numbers, many fewer families expected the reestablishment of good times financially in the economy as a whole. Half of all consumers expected financially bad times to persist during the year ahead, down from two-thirds one year earlier. A smaller, but increasing, proportion of respondents expected good times financially, rising to 42 percent from 23 percent during the past year. The longer term outlook for business conditions also improved, but remained on balance unfavorable at the start of 1983. Among all families, 52 percent in the first quarter 1983 surveys expected bad times financially to persist during the next 5 years, down from 60 percent one year earlier. Good times financially over the longer term were expected by 30 percent of all families in the first quarter 1983 surveys, only a small increase over the 25 percent recorded one year earlier. Consequently, while record numbers of consumers expected the economy to improve during the upcoming year, the pace of improvement is not expected to soon reestablish good economic times.

Fears of Unemployment Ease But Concerns Persist

At the start of 1982, when the national unemployment rate stood at the already high level of 8.7%, half of all American families expected the unemployment rate to rise even further. By mid-1982, half of all families reported hearing news of plant closings, layoffs, and other increases in unemployment. Yet by the first quarter of 1983 when the national unemployment rate stood at 10.2%, families more frequently expected declines rather than increases in the unemployment rate for the first time since 1977.

Since mid-1982, when consumer concerns were dominated by fears of spreading unemployment, the mix of news heard by consumers of recent economic developments has become increasingly favorable. For the first time in five years, news of favorable economic developments predominated in the first quarter 1983 surveys (58 versus 55 percent). Since mid-1982, the proportion of respondents that mentioned hearing news of spreading unemployment fell from 52 to 35 percent, while news of increases in employment rose from 6 to 17 percent.

Consumers expected the annual rate of inflation to average 4.3% in the first quarter 1983 surveys, down from 5.7% one year earlier, and substantially below the peak rate of 11.9% recorded in the first quarter of 1980. Long term price expectations have also declined during the past several years, and by the first quarter of 1983 consumers expected the annual inflation rate to average 5.8% during the next 5 to 10 years. From 1979 to 1981, the inflation rate expected during the following year was higher than the rate consumers expected over the next 5 to 10 years. In contrast, in 1982 and 1983 short term price expectations have been lower than the expected long term average (see Table A).

Trends in aggregate unemployment and inflation rates differ in their impact on consumer attitudes. Concern with unemployment is more sensitive to aggregate changes in the economy, whereas personal experience plays a more important role in changing attitudes toward inflation. Shortly after the aggregate unemployment rate begins to decline, much of the public awareness and psychological fear is eased. Chart 1 shows the time series correspondence between the national unemployment rate and the proportion of survey households that reported hearing news of unemployment. Immediately following each cyclical peak in unemployment, household awareness declined rapidly.

Although fears of spreading unemployment have eased, unemployment remains an important concern of consumers. In the first quarter 1983 surveys, consumers still judged unemployment rather than inflation to be the more serious economic problem facing the nation by a four-to-one margin (73 versus 18 percent). Concern with unemployment as the more serious economic problem has remained at record levels throughout the past year. Consumer confidence in government economic policies in the first quarter 1983 surveys recorded its lowest level under the Reagan administration. Among all families twice as

many rated government economic policy as poor rather than good (36 versus 18 percent). The recent decline was particularly sharp among families with incomes over \$20,000, with 19 percent giving government policy favorable ratings in the first quarter of 1983, down from 25 percent in the prior quarter and the peak level of 33 percent recorded during the first year of the Reagan administration.

Buyers Respond to Lower Prices and Interest Rates

The first quarter 1983 surveys recorded improved attitudes toward buying conditions in each market studied. The proportion of all consumers holding favorable attitudes towards buying conditions for houses rose to 48 percent in the first quarter 1983 surveys, up from 38 percent in the prior quarter and 20 percent one year earlier. Among families with incomes of \$20,000 and over, the proportion holding favorable house buying attitudes rose to 56 percent in the first quarter of 1983, up from just 23 percent one year earlier.

The proportion of families holding favorable attitudes toward buying conditions for cars rose to 55 percent in the first quarter 1983 surveys, up from 47 percent in the fourth quarter 1982, and 39 percent in the first quarter of 1982. Among families with incomes of \$20,000 or more, favorable car buying attitudes rose to 61 percent in the first quarter 1983 surveys, up from 46 percent one year earlier. The overall improvement in buying attitudes toward both houses and cars has been substantial, regaining the levels recorded in the mid to late 1970s (see Charts 2 and 3).

Much smaller improvements have been recorded in buying attitudes toward large household durables. In the first quarter 1983 surveys, 53 percent held favorable buying attitudes, up from 48 percent in the fourth quarter of 1982, and 51 percent in the first quarter of 1982. Among families with incomes of \$20,000 and over, the proportion holding favorable buying attitudes rose to 59 percent, up from 54 percent one year earlier.

The two major developments responsible for the significant improvement in consumer buying attitudes are lower prices and lower interest rates. In the first quarter 1983 surveys, more families than at any time in the past two decades mentioned the availability and the appeal of lower prices when asked to evaluate market conditions for houses (22 percent) and large household

durables (34 percent). The impact of interest rates on buying attitudes has changed considerably during the past year, such that families now more frequently refer to low rather than high interest rates when asked to explain their opinions. From 1982 to 1983 references to high mortgage rates fell from 75 to 38 percent, while references to the availability of lower mortgage rates rose from 6 to 40 percent. When consumers were asked to evaluate market conditions for automobiles, references to high interest rates fell from 28 to 13 percent, while references to the availability of lower interest rates rose from 4 to 33 percent.

Recent declines in interest rates have already reduced the backlog of postponed purchases. The proportion of families that reported they had postponed purchases due to high interest rates fell to 26 percent in the first quarter 1983 surveys, down from 33 percent in both the quarter and year earlier readings (Table B). The most frequently postponed purchases continue to be vehicles (10 percent), followed by houses and household durables (8 percent each). The median interest rate that would have been charged on the postponed purchases fell to 16.2% in the first quarter 1983 surveys, from 17.4% one quarter earlier (Table C). The highest interest rate that consumers would have been willing to pay on the postponed purchases was 10.9% in the first quarter 1983 surveys, about one percentage point below the rate prevailing one year earlier. While the highest rate consumers were willing to pay was approximately equal to 11% each for vehicles, houses, and household durables, the interest rate reported that would have been charged on these purchases was about 1 percentage point higher for household durables than for vehicles and houses. Consequently, credit purchases of household durables were more likely to be resisted, largely due to lack of declines in interest rates charged on credit cards.

Declines in interest rates have increased consumers' willingness to incur new debt and to make major purchases. In the first quarter 1983 surveys, the proportion of families that were willing to use debt rose to 18 percent from 13 percent one year earlier (see Table D). The proportion of families reluctant to incur new debt fell to 79 percent in the first quarter 1983 surveys, from 85 percent one and two years earlier. In contrast to the increased willingness of consumers to incur debt, consumers remain nearly as reluctant to use accumulated savings to make major purchases at the start of

1983 as one and two years earlier (see Table E). Among all families, 29 percent reported that they were not reluctant to use savings for major purchases, approximately equal to the 27 percent recorded one year earlier and 28 percent recorded two years ago. While declines in interest rates have lowered reluctance to incur debt, precautionary savings motives have not yet yielded to spending goals.

Personal Finances: Improvement Expected

Consumers' evaluations of their current financial situation in the first quarter 1983 surveys remained near the record low levels recorded during the past year. On balance, more families continued to report financial setbacks than improvements (39 versus 30 percent). Declining income was the major reason given for these unfavorable evaluations. More families in the first quarter 1983 surveys reported income declines than at any other time during the prior twenty years (24 percent).

There is ample evidence in aggregate income statistics for the persistence of these very unfavorable evaluations of personal finances. Chart 4 shows the recent change in mean and median household personal disposable income, using alternatively the Consumer Price Index (CPI) and the Personal Consumption Deflator (PCD) to adjust for inflation. Based on either adjustment, no overall growth has been recorded in either mean or median household income during the past few years. Greater detail is given in Chart 5, which displays the annual rate of percentage change in real mean per household disposable income (PCD base). As shown there, trends in aggregate personal disposable income are clearly reflected in consumers' own evaluations of their personal financial situation.

Despite these continuing financial problems, prospects for improvement during the year ahead remained at the optimistic levels recorded in late 1982. More than twice as many families in the first quarter 1983 surveys expected improvement as expected declines in their financial situation (35 versus 16 percent). This improved outlook is based on more purchasing power due to lower prices to a greater extent than on expected increases in nominal income. In the first quarter 1983 surveys, 45 percent of all families expected their nominal family income to remain the same or decline during the year ahead, up from 39 percent one year earlier. The proportion of families that expected

income increases of 10% or more fell to 22 percent in the first quarter of 1983, down from 28 percent one year earlier.

Financing the Recovery

A sustained economic recovery requires greater access and use of loanable funds. Consumers need funds to finance increased purchases of houses, cars, and household durables; businesses need investment funds to expand and modernize; and the government needs funds to finance budget deficits. A total of \$408 billion was raised in the U.S. credit market by the domestic nonfinancial sectors during 1982. The total amount borrowed in credit markets rose rapidly during the 1970s--from just under \$100 billion in 1970 to just under \$400 billion in 1979. From 1979 through 1982, the total amount of funds raised in the U.S. credit markets remained largely unchanged, at about \$400 billion (see Table F). In constant 1972 dollars, the total amount of funds raised in U. S. credit markets has fallen from a peak of \$245.1 billion in 1978 to approximately \$200 billion from 1980 to 1982.

While the total nominal dollars raised in credit markets has remained largely unchanged, the share of funds raised by the government sector has risen dramatically. During 1982, the government sector (primarily the federal government) borrowed \$208.5 billion, \$100 billion more than in 1981. Consequently, in 1982, the government sector borrowed 51 percent of all funds raised in U.S. credit markets. A 51 percent share replicates the prior peak level recorded in 1975; aside from 1975 and 1982, in no other year during the past three decades has the government sector share exceeded 40 percent. Household borrowing accounted for just 21 percent of all funds raised in 1982, the lowest share recorded since 1952 (see Table G).

Greater borrowing by the consumer and business sectors must come either from decreases in government sector borrowing or from increases in the total amount of funds raised. To an important extent shifts in the amount of funds raised by the private sectors and the funds raised by the government sector are interrelated. As the economy improves and consumers and businesses increase credit market borrowing, the increase in economic activity also acts to lower government deficits and hence their credit market borrowing. In past years, however, these effects were rather small in comparison to increases in the total amount of funds raised. Following the 1974-75 recession, government

sector borrowing fell from \$99 billion in 1975 to \$72 billion in 1977. In comparison with the rather modest decline in the dollar amounts raised, the share of funds raised by the government sector fell from 51 percent in 1975 to 23 percent in 1977.

Consumer savings is the major source of funds for the U.S. credit markets. During the past year, the rate of both financial asset and debt acquisition by consumers declined, but the incurrence of debt declined to a much greater extent, and thus led to an improvement in the net savings rate (see Chart 6). From 1979 to 1982, the net savings rate more than doubled, rising from under 5% to 10.4%---higher than at any time in the last 30 years.

This increase in financial savings is based on data derived from the Federal Reserve Board's Flow of Funds Accounts. Another more widely used measure of consumer savings based on the National Income and Product Accounts (NIA) would not support similar conclusions (see Chart 7). In sharp contrast to the FRB savings rate, from 1977 to the present, the NIA savings rate has remained in the 5 to 6 percent range, a level only reached at cyclical lowpoints during the preceding quarter century. Thus, the NIA savings rate would appear to indicate that the savings habits of American consumers have changed drastically. In the early 1950s, the NIA savings rate was approximately 4 percentage points higher than the FRB savings rate. During the 1960s and 1970s the NIA savings rate was generally above the FRB rate, but the difference was relatively small. In contrast, the FRB savings rate exceeded the NIA rate by 4 percentage points by 1982. Although the recent divergence is consistent with the long term trend, at no time during the past 30 years has the difference been so large. At present, the difference amounts to \$83 billion: \$143 billion was saved when estimated according to the NIA procedure in 1982, compared with \$226 billion based on the FRB procedure (see Table H).

How can this divergence be explained? It is of course true that the two savings measures are based on conceptually distinct approaches that defy exact reconciliation. Both methods calculate consumer savings as a residual. The FRB accounts may have allocated too few dollars to the business and foreign sectors, and thus overestimated consumer savings. Or the problem may lie in the underestimation of personal disposable income in the NIA accounts, which are based on IRS data. If NIA personal disposable income is

underestimated, it would not only cause NIA savings to be underestimated, but also cause the FRB savings rate to be overestimated (since the income base should have been larger). At the present time, it is unclear whether one or both of these hypotheses is correct. But until the divergence in the NIA and FRB data is better understood, analysts must view both sets of savings data with greater skepticism than usual.

Will there be adequate funds to finance a sustained recovery in consumer sales during 1983. In view of the savings data inadequacies, doubt remains concerning the amount of personal saving which will be generated to cover increased debt demands. Judgments on the ability of the current mix of economic policies to raise the level of personal saving will differ depending on the data source used, as will judgments on which alternative policies should be pursued. Given the record levels of government sector borrowing, a reduction in the federal deficit represents the most direct method to accommodate significant increases by the consumer and business sectors, without exerting upward pressure on market interest rates.

* * *

The First Quarter 1983 Survey¹ included 2,087 interviews completed between January 3 and March 27, 1983.

TABLE A

LONG AND SHORT TERM PRICE EXPECTATIONS

Price Expectations	1979	1980	1981	1982	1983
One year	9.9%	11.9%	7.7%	5.7%	4.3%
Five year	8.6	10.4	7.0	6.5	5.8

The questions were: "During the next 12 months do you think that prices in general will go up, or go down, or stay where they are now?" "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?" and "What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" "By about what percent per year do you expect prices to go (up/down) on the average, during the next 5 to 10 years?"

CHART 1

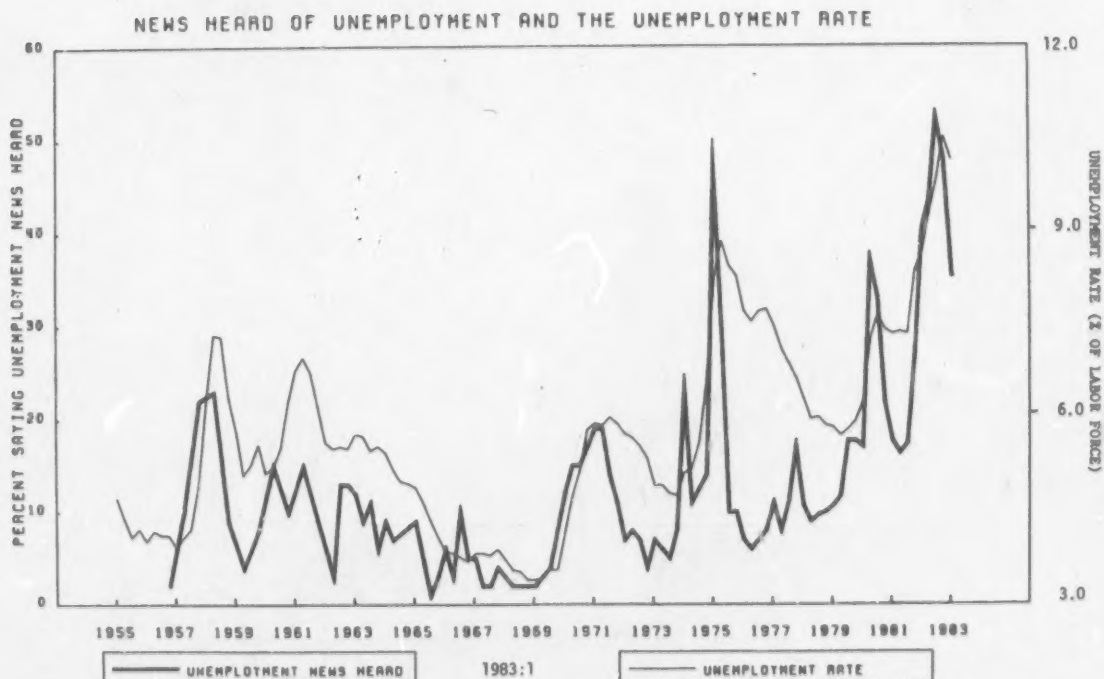


CHART 2

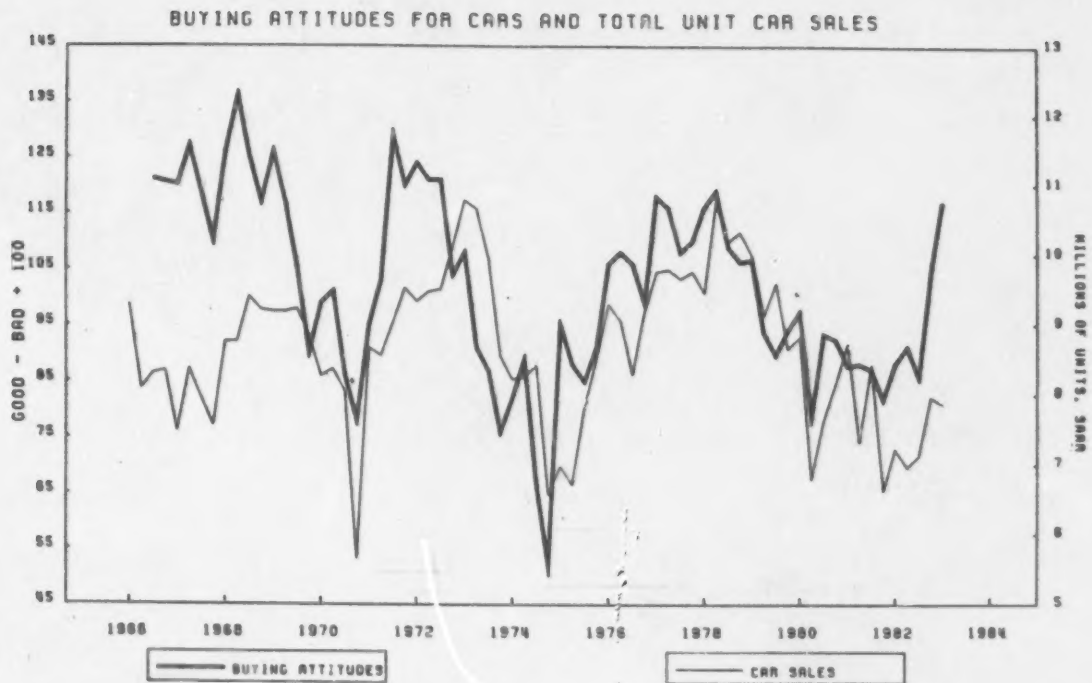


CHART 3

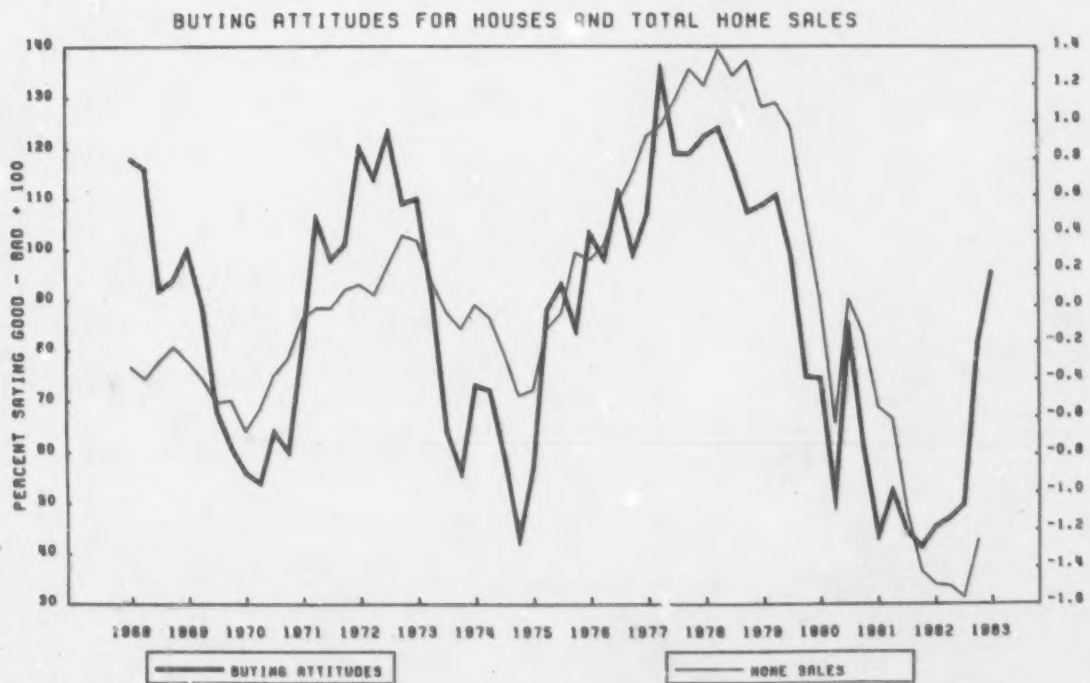


TABLE B

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

	4th Quarter 1981	1st Quarter 1982	2nd Quarter 1982	3rd Quarter 1982	4th Quarter 1982	1st Quarter 1983
Postponed Purchases: *	34%	33%	32%	34%	33%	26%
Vehicles	13	11	12	13	14	10
House, home repairs	13	11	11	9	9	8
Household durables	8	10	8	10	10	8
Other	5	7	7	6	6	4
Did not postpone purchase	65	66	67	64	66	72
Don't know, not ascertained	1	1	1	2	1	2
Total	100%	100%	100%	100%	100%	100%

* Items add to more than total due to multiple mentions.

TABLE C

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

	4th Qtr. 1981	1st Qtr. 1982	2nd Qtr. 1982	3rd Qtr. 1982	4th Qtr. 1982	1st Qtr. 1983	1st Quarter, 1983		
							Vehicles	House, Home Repairs	Household Durables
Postponed Purchases									
Percent of Households	34%	33%	32%	34%	33%	26%	10%	8%	8%
Interest rate that would have been charged on postponed purchase									
Median	17.5%	17.7%	17.5%	17.6%	17.4%	16.2%	15.7%	15.6%	16.7%
Highest interest willing to pay to make purchases									
Median	11.9%	12.0%	11.9%	11.9%	11.7%	10.9%	10.8%	11.2%	10.7%
Difference between interest rate charged and willing to pay									
Median	4.7%	5.1%	5.1%	5.3%	5.2%	4.5%	4.4%	4.4%	5.1%

The questions were: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?" "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

TABLE D

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	First Quarter							
	1976	1977	1978	1979	1980	1981	1982	1983
OK to use credit; not especially reluctant	20%	22%	20%	16%	19%	12	13%	18%
Pro-con	5	2	2	1	1	1	*	*
Not OK to use credit; especially reluctant	74	71	77	82	80	85	85	79
DK, NA	1	5	1	1	*	2	2	3
Total	100%	100%	100%	100%	100%	100%	100%	100%
Cases	1184	1203	1135	1228	901	2065	2088	2087

* Less than 0.5 percent.

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

TABLE E

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES
(Percentage of families with savings)

	First Quarter							
	1976	1977	1978	1979	1980	1981	1982	1983
OK to use savings; not especially reluctant	33%	37%	32%	32%	38%	28%	27%	29%
Pro-con	6	3	3	3	1	2	2	*
Not OK to use savings; especially reluctant	59	56	62	63	54	68	70	68
DK, NA	2	4	3	2	7	2	1	3
Total	100%	100%	100%	100%	100%	100%	100%	100%
Cases	1184	1097	1135	1228	901	1955	1945	1903

* Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

CHART 4

MEAN AND MEDIAN INCOME PER HOUSEHOLD
USING THE CPI AND PCD PRICE INDICES

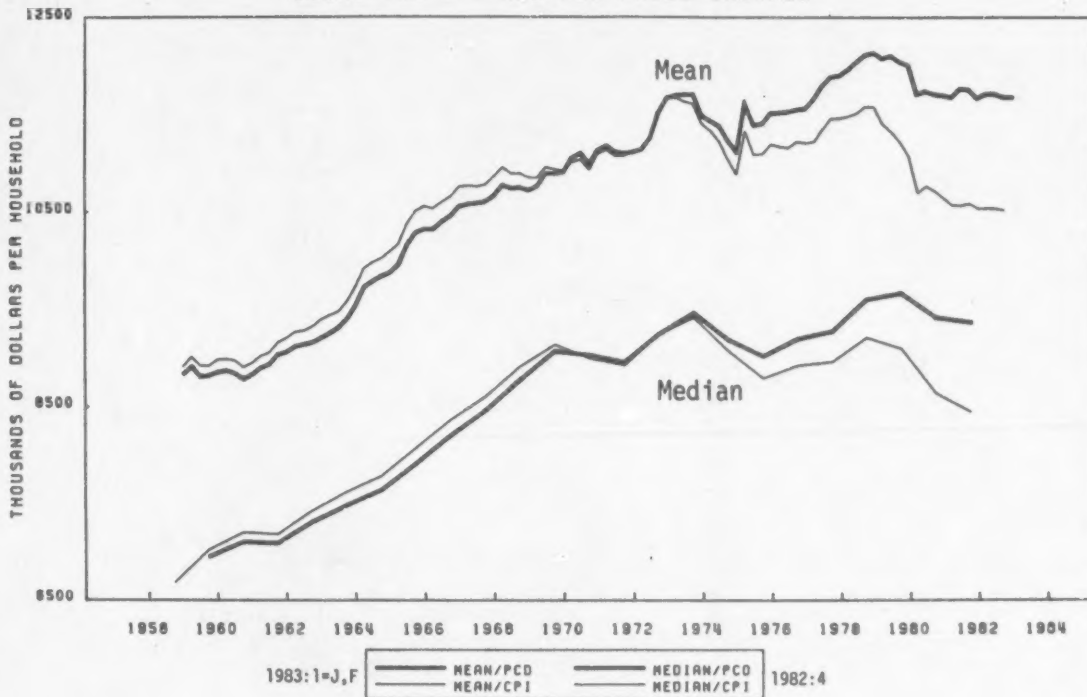


CHART 5

CURRENT PERSONAL FINANCIAL SITUATION AND THE CHANGE IN REAL
DISPOSABLE INCOME PER HOUSEHOLD (4 QTR MOVING AVERAGE)

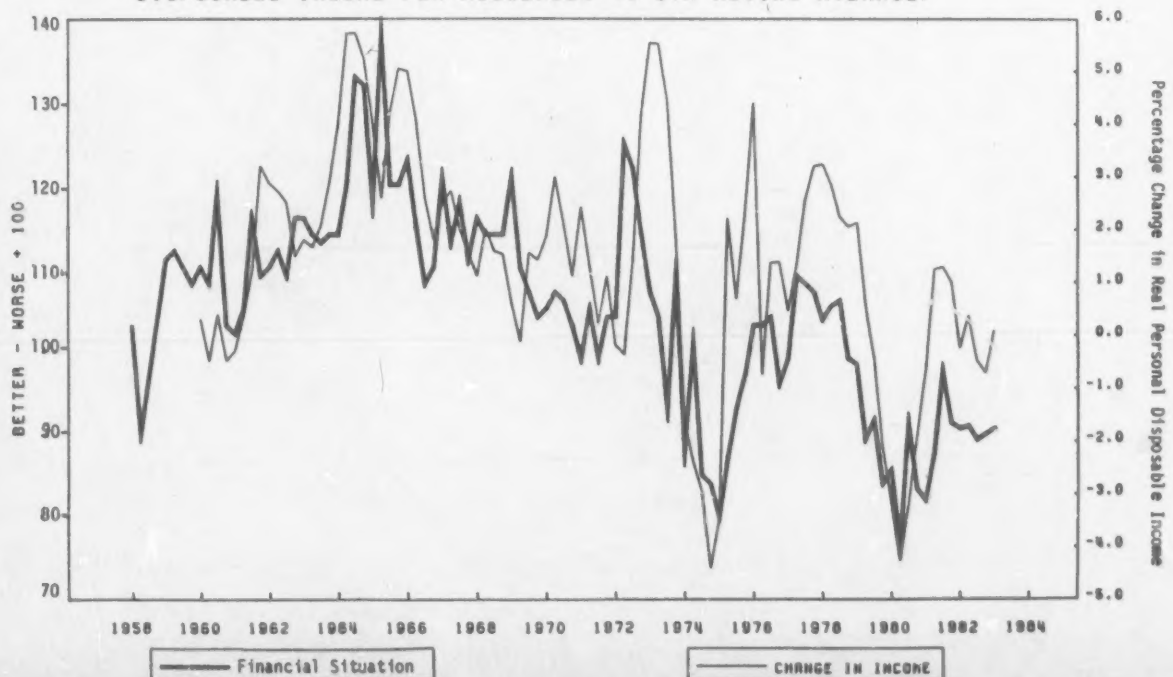


TABLE F
FUNDS RAISED IN U.S. CREDIT MARKET BY THE NONFINANCIAL SECTORS
(Billions of current dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Government	23	43	30	21	27	99	84	72	73	58	106	110	209
Nonfinancial business	45	50	67	89	94	42	70	108	126	155	131	161	114
Households	25	45	65	78	54	52	89	137	169	176	118	120	85
Total	93	138	162	188	175	193	243	317	368	389	355	391	408
Addenda:													
U.S. government	12	25	15	8	12	85	69	57	54	37	79	87	161

TABLE G
SHARE OF FUNDS RAISED IN U.S. CREDIT MARKETS BY THE NONFINANCIAL SECTORS

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Government	25%	31%	18%	11%	15%	51%	34%	23%	20%	15%	30%	28%	51%
Nonfinancial business	48	37	42	47	54	22	29	34	34	40	37	41	28
Households	27	32	40	42	31	27	37	43	46	45	33	31	21
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Addenda:													
U.S. government	13	18	9	4	7	44	28	18	15	10	22	22	40

TABLE H
MIA AND FRB HOUSEHOLD SAVINGS
(Billions of Current Dollars)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
FRB Saving	50.7	46.2	44.2	58.1	73.2	102.1	87.9	64.5	78.6	86.6	168.2	199.5	225.6
MIA Saving	55.8	60.7	52.6	79.0	85.2	94.3	82.5	80.0	89.4	96.7	106.2	130.2	142.8
Difference	-5.1	-14.5	-8.4	-20.9	-12.0	7.8	5.4	-15.5	-10.8	-10.1	62.0	69.3	82.8

Source: Federal Reserve Board

CHART 6

NET ACQUISITION OF FINANCIAL ASSETS AND LIABILITIES
AS A PERCENT OF INCOME - 4 QUARTER MOVING AVERAGE

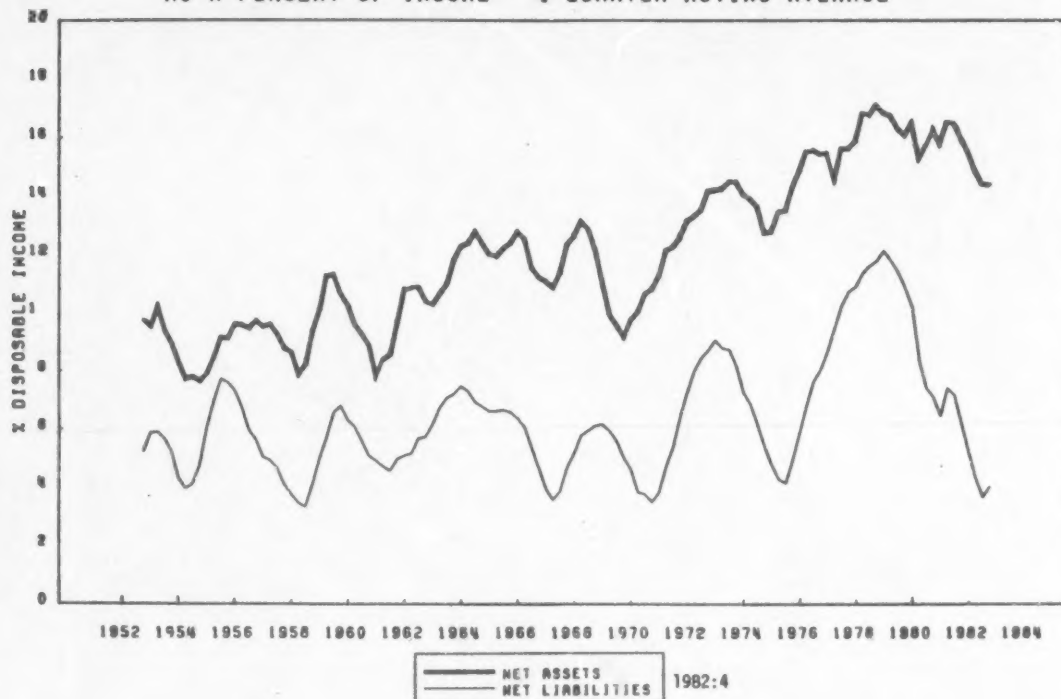
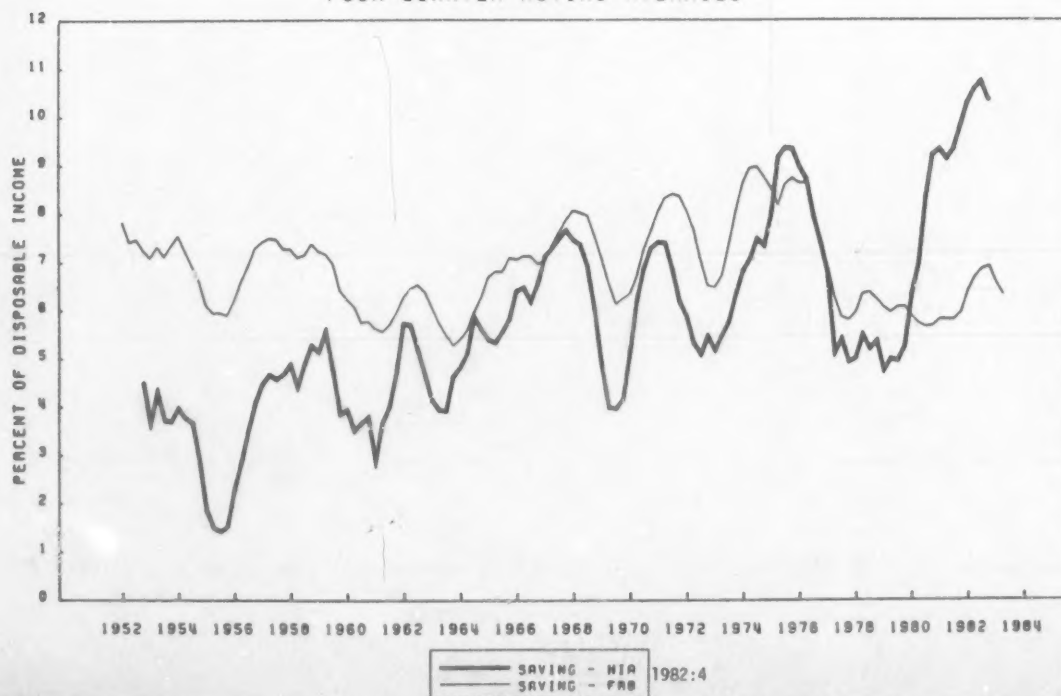


CHART 7

SAVING RATE - NIA AND FRB BASIS
FOUR QUARTER MOVING AVERAGES



NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.



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Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Second Quarter Surveys
April-June 1983

July 17, 1983

OPTIMISM REIGNS

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ATTACHMENTS:

April-June 1983 Tables and Charts

Highlights

- ** In the second quarter 1983 survey, the Index of Consumer Sentiment was 91.5, up 16.2 Index-points from one quarter earlier, and 25.3 Index-points above the year earlier reading. The rapid improvement since the start of 1983 has brought the Index of Consumer Sentiment to its highest quarterly reading since the 1972 peak of 94.4.
- ** Among families with incomes of \$20,000 or more, the Index of Consumer Sentiment rose to 99.3, up 17.1 Index-points from one quarter earlier and 27.4 Index-points from one year earlier. Increases of 20 Index-points or more were recorded during the past year by residents of each major geographic region as well as across all age subgroups.
- ** The second quarter 1983 survey marked a new record level of favorable perceptions of recent economic developments. Reports of increases in employment dominated the favorable developments. Among all families, 59 percent reported that overall business conditions had improved during the past year, more than twice the 27 percent recorded in the first quarter.
- ** More families in the second quarter 1983 survey expected business conditions to improve during the year ahead than any prior quarterly reading (52 percent). Among all families, 61 percent expected good times in the economy as a whole in the next year, substantially above the 42 percent recorded in the first quarter of 1983. Longer term business expectations also improved but remain much less favorable than short term expectations: 39 percent of all families expected good times in the economy during the next five years in the second quarter 1983 survey, up from 30 percent in the first quarter.
- ** For the first time during the past five years, families in the second quarter 1983 survey more frequently reported their financial situation had improved rather than worsened during the past year (37 versus 31 percent). Consumers remain very optimistic about the outlook for their personal financial situation during the year ahead: five times as many families expected improvement rather than a worsening financial situation (40 versus 8 percent).
- ** A somewhat smaller proportion of families expected increased take-home pay to result from the federal tax cut in 1983 (22 percent) than in 1982 (26 percent). The median expected additional take-home pay was \$25 per month in 1983, unchanged from the 1982 figure. Although the proportion that intended to spend this increased after-tax income did not significantly change during the past year, spending plans have shifted towards making new purchases and away from meeting current needs and expenses.
- ** Attitudes towards market conditions for the purchase of cars and houses reached record favorable levels in the second quarter 1983 survey. The substantial improvement in buying attitudes has been due to the combination of two factors which have not previously dominated recoveries in consumer buying attitudes: lower prices and lower interest rates. Given the heightened dependence of buying attitudes on interest rates, increases in interest rates are likely to cause serious and immediate reversals in favorable buying attitudes.

Record Awareness of Improved Business Conditions

Favorable developments in economic conditions dominated the news heard and recalled by consumers in the second quarter 1983 survey. More than twice as many favorable as unfavorable developments were reported (80 versus 31 percent), nearly the reverse of the negative balance recorded one year earlier (23 versus 88 percent). The second quarter 1983 survey established a new record level of favorable perceptions of recent economic developments. The improvement recorded during the past year has been due to favorable changes in employment/unemployment trends. Among all families, 29 percent mentioned instances where employment had increased, up from 17 percent in the first quarter and just 5 percent one year earlier. In contrast, references to increases in unemployment fell to 19 percent in the second quarter, from 35 percent in the first quarter and 43 percent one year earlier. Among all families in the second quarter 1983 survey, 59 percent reported that overall business conditions had improved during the past year, substantially above the 27 percent recorded in the first quarter, and just 11 percent recorded one year earlier.

Consumers remain very optimistic about the outlook for the economy during the year ahead. Among all families in the second quarter 1983 survey, 52 percent expected business conditions to improve, a new all-time quarterly record. Only 7 percent of all respondents in the second quarter 1983 survey expected business conditions to worsen during the year ahead. The expected decline in unemployment has been the dominant factor associated with the improvement. Unemployment was expected to decline by 40 percent of all respondents in the second quarter 1983 survey, up from 29 percent in the first quarter, and 16 percent one year earlier. The proportion of respondents that expected increases in unemployment during the year ahead was 15 percent in the second quarter 1983 survey, down from 27 percent in the first quarter and 48 percent one year earlier.

Personal Finances Improve

For the first time during the past five years, families in the second quarter 1983 survey more frequently reported that their financial situation had improved rather than worsened during the past year (37 versus 31 percent). Among families with incomes of \$20,000 and over, nearly twice as many families

reported improvement rather than deterioration in their personal finances (47 versus 24 percent). The recent improvement has been due to more frequent reports of income increases (30 percent in the second quarter 1983 survey, up from 27 percent in both the one quarter and one year earlier readings), while reports of income declines were less frequent (19 percent in the second quarter, down from 24 percent in the first quarter, but equal to the 19 percent recorded one year earlier.) In addition to the improvements in family income, the fewest consumers in more than a decade mentioned the adverse impact of inflation on their family budgets in the second quarter 1983 survey (18 percent).

Consumers remain very optimistic about the outlook for their personal financial situation during the year ahead: five times as many families expected improvement rather than a worsening financial situation (40 versus 8 percent). Compared with a year earlier, in the second quarter 1983 survey, fewer families expected their incomes to decline (17 versus 12 percent), more frequently expected their family incomes to remain unchanged (23 to 26 percent), and more frequently expected income increases of 1 to 5% (16 to 20 percent). The proportion of families that expected income increases of 6% or more remained unchanged from a year earlier at 37 percent in the second quarter 1983 survey.

The rate of inflation expected by consumers during the year ahead was 4.6% in the second quarter 1983 survey, somewhat above the 4.3% recorded in the first quarter, but below the 5.4% recorded one year earlier. The modest improvement in income expectations coupled with lower price expectations resulted in the most favorable real income expectations recorded during the past decade. In the second quarter 1983 survey, two-thirds of all respondents expected their family incomes to keep pace with or exceed the rate of inflation.

The 1983 Tax Cut

In the June 1983 survey, respondents were asked whether they expected their monthly take-home income to change as a result of the federal tax legislation, repeating questions asked in earlier survey (see Table A). Fewer respondents reported that they expected their incomes to increase in the 1983 survey (22 percent) than in 1982 (28 percent) or in 1981 (46 percent). Among

those families that expected increases in their take-home pay, the median monthly expected increase was \$25 in 1983, unchanged from the 1982 figure, and just half the amount expected in 1981.

When asked whether they plan to save or spend the increase in after-tax income, families more frequently reported spending plans in June 1983 (46 percent) than in 1982 (43 percent) or in 1981 (25 percent). In contrast to 1982 when almost the entire increase in spending plans was related to meeting current needs and expenses, the increase in spending plans recorded in 1983 was concentrated in plans to make major new purchases, such as household durables, vehicles, and home additions and repairs. Nonetheless, two-thirds of all spending plans remain relegated to meeting current needs and expenses. Compared with a year earlier, respondents somewhat more frequently expected to save the additional after-tax income (26, up from 25 percent), while somewhat fewer respondents reported that they expected to use the added income to repay debt (19, down from 23 percent).

Favorable Buying Attitudes

Attitudes toward market conditions for the purchase of cars and houses reached record favorable levels in the second quarter 1983 survey. Nearly two-thirds of all American families thought buying conditions were favorable for purchases of cars, and large household durables. The substantial improvement in buying attitudes has been due to the combination of two factors which have not previously dominated recoveries in consumer buying attitudes: lower prices and lower interest rates.

In the second quarter 1983 survey, 63 percent of all American families rated buying conditions for houses favorably, the highest proportion ever recorded. The pace as well as the extent of improvement recorded during the past year has set new records. The proportion of families giving favorable evaluations of buying conditions for houses rose from just 21 percent in the third quarter of 1982 to the record high of 64 percent in the second quarter 1983. The major reasons given by consumers for this abrupt turnaround in house buying attitudes have been lower mortgage rates and lower housing prices. During the past year, complaints of high mortgage rates fell from 74 to 23 percent, while references to the availability of lower mortgage rates rose from 6 to 57 percent. Mentions of the availability of lower housing

prices rose to 23 percent in the second quarter 1983 survey from 15 percent one year earlier, while references to high housing prices fell to 13 from 26 percent.

The proportion of American families holding favorable attitudes toward buying conditions for cars was 65 percent in the second quarter 1983 survey, a new all-time record quarterly reading. The primary reason for favorable car buying attitudes has been the availability of lower interest rates, mentioned by 40 percent of all respondents, while complaints of high interest rates fell to just 8 percent in the second quarter 1983 survey. Compared with a year earlier, mentions of lower prices and rebates fell from 35 to 26 percent, but references to high car prices also fell by a similar amount, from 29 to 19 percent.

The last cyclical peak in favorable attitudes toward buying conditions for houses was recorded in the second quarter of 1977, when 64 percent of all families rated house buying conditions favorably. At that time, the major reason given for favorable house buying attitudes involved buy-in-advance price rationales, reported by 47 percent of all families. In sharp contrast, in the second quarter 1983 survey, just 7 percent of all families mentioned buy-in-advance price rationales. In 1977, more families referred to high rather than low housing prices, while at the 1983 peak, low rather than high prices were more frequently mentioned. As shown in the table below, just as favorable buying attitudes in 1977 and 1978 were dominated by buy-in-advance price rationales, favorable house and car buying attitudes in 1983 were dominated by the appeal of lower mortgage rates.

Declines in interest rates have already reduced the backlog of postponed purchases to a substantial extent. In the second quarter 1983 survey, 20 percent of all families reported that they had postponed purchases due to high interest rates, substantially below the 33 percent recorded six months earlier (see Table B). The median interest rate that would have been charged on the postponed purchase was 16.3% in the second quarter 1983 survey, unchanged from the first quarter reading and 1 percentage point below the 1982 levels (see Table C). While the highest interest rate consumers were willing to pay was approximately equal to 11% each for vehicles, houses, and household durables, the interest rate reported that would have been charged on these purchases was nearly 2 percentage points higher for household durables than

	Houses		Cars	
	1977:2	1983:2	1978:2	1983:2
Proportion Holding favorable Attitudes	63%	64%	52%	65%
Selected Reasons:				
Low prices	4	23	7	26
High prices	22	13	23	19
Net	-18	+10	-16	+7
Low interest	12	57	1	40
High interest	10	23	3	9
Net	+2	+34	-2	+32
Buy-in-advance	47	7	36	10

for vehicles and houses. Consequently, credit purchases of household durables were more likely to be resisted, largely due to the lack of declines in interest rates charged on credit cards.

In the second quarter 1983 survey, fewer families expected continued declines in interest rates, and more frequently expected interest rates would remain unchanged at their current levels during the year ahead. Among all families, 31 percent expected declines in interest rates, down from 42 percent in the first quarter of 1983 and a cyclical high of 46 percent in the fourth quarter of 1982. The proportion of families that expected increases in interest rates remained largely unchanged from the prior two quarters (23 percent, up from 20 and 22 percent), while the proportion that expected interest rates to remain at the same level during the year ahead rose to 44 percent in the second quarter of 1983, up from 35 percent in the first quarter, and 28 percent at the close of 1982.

The heightened dependence of buying attitudes on interest rates will continue to shape subsequent developments in buying attitudes. Further declines in interest rates will continue to support favorable buying attitudes, while increases in interest rates are likely to cause serious and immediate reversals in favorable buying attitudes. Even if interest rates were to stabilize at current levels, their favorable impact on buying

attitudes would gradually recede over time as people became accustomed to the prevailing rates.

Summary Outlook

A robust recovery in sales of vehicles and houses during 1983 will not want for lack of favorable consumer attitudes and expectations. The rapid improvement recorded since the start of 1983 has been widespread across all aspects of consumer sentiment as well as across all major population subgroups. Declines in prices and interest rates have stimulated very favorable attitudes toward buying conditions for vehicles and houses. The pace and length of the recovery will depend not on further changes in the willingness of consumers to make large discretionary purchases, but rather on the ability of consumers to finance significant increases in their purchases of vehicles and houses without a resurgence in interest rates.

* * *

The second quarter 1983 survey was conducted between March 28 and June 26, 1983 and included 2,121 completed interviews.

TABLE A

EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY
IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

<u>Expect Take-home Pay to...</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Increase	46%	28%	22%
Stay the same	40	55	57
Decrease	2	5	6
Does not pay taxes	6	7	11
Don't know	2	2	3
Not ascertained	4	3	1
Total	100%	100%	100%
Cases	1224	2770	714
<u>Expect Increase in Monthly Take-home Pay</u>			
Median	\$50	\$24	\$25
<u>Planned Use of Increase in Take-home Pay</u>			
Spend	25%	43%	46%
New purchases	8	8	15
Current expenses	17	35	31
Repay debt	21	23	19
Save, invest	41	25	28
Both spend and save	4	4	6
Don't know, not ascertained	9	5	1
Total	100%	100%	100%
<u>Amount of Difference that Added Income Makes</u>			
Considerable difference	NA	5%	9%
Small difference		39	44
Practically none		49	42
Don't know, not ascertained		7	5
Total		100%	100%

The questions were: April-May 1981: "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

July-October 1982, June 1983: "As a result of the [YEAR] federal tax cut, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much money would you expect to take home each month?" "What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?" "Does the amount of extra income you get from the tax cut make a considerable difference to you, or only a small difference, or practically none?"

TABLE B

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

	4th Quarter 1981	1st Quarter 1982	2nd Quarter 1982	3rd Quarter 1982	4th Quarter 1982	1st Quarter 1983	2nd Quarter 1983
Postponed Purchases: *	34%	33%	32%	34%	33%	26%	20%
Vehicles	13	11	12	13	14	10	8
House, home repairs	13	11	11	9	9	8	6
Household durables	8	10	8	10	10	8	6
Other	5	7	7	6	6	4	2
Did not postpone purchase	65	66	67	64	66	72	79
Don't know, not ascertained	1	1	1	2	1	2	1
Total	100%	100%	100%	100%	100%	100%	100%

* Items add to more than total due to multiple mentions.

TABLE C

INTEREST RATE EFFECT ON CONSUMER PURCHASES
DURING THE LAST SIX MONTHS

	4th Qtr. 1981	1st Qtr. 1982	2nd Qtr. 1982	3rd Qtr. 1982	4th Qtr. 1982	1st Qtr. 1983	2nd Qtr. 1983	2nd Quarter, 1983		
								Vehicles	House, Home Repairs	Household Durables
Postponed Purchases										
Percent of Households	34%	33%	32%	34%	33%	26%	20%	8%	6%	6%
Interest rate that would have been charged on postponed purchase										
Median	17.5%	17.7%	17.5%	17.6%	17.4%	16.2%	16.3%	15.2%	15.4%	17.0%
Highest interest willing to pay to make purchases										
Median	11.9%	12.0%	11.9%	11.9%	11.7%	10.9%	11.0%	10.8%	11.2%	11.1%
Difference between interest rate charged and willing to pay										
Median	4.7%	5.1%	5.1%	5.3%	5.2%	4.5%	4.3%	3.8%	4.1%	5.1%

The questions were: "Have interest rates caused you to postpone making any purchases during the last six months?" "What was postponed?" "What interest rate would have been charged on any money borrowed for (ITEM)?" and "What is the highest interest rate at which you would have purchased (ITEM)?"

7/17/83

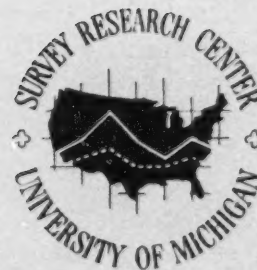
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SURVEYS OF CONSUMER ATTITUDES



MONITORING
ECONOMIC CHANGE
PROGRAM



Institute for Social Research